

1980

National DPA Program for Administrators Center for the Study of Administration 1980

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POLICY FORMULATOR

Security, or Protective, Functions
Environmental and Economic Development Functions
Social and Human Services Functions

SEQUENCE 2

Public Administration Series

Unit 1. Security, or Protective, Functions

by DeWitt C. Armstrong III

Unit 2. Environmental and Economic Development Functions:
Economic Policy, Energy and the Environment

by Herbert C. Morton

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for Administrators
CENTER FOR THE STUDY OF ADMINISTRATION
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An economic and policy analysis unit is being added to Sequence 2.

FOREWORD

This second edition of Sequence 2 Curriculum Statement is faithful to the purpose of the first statement in 1975 to present in one place an overview of national policies and programs which deal with overriding national problems. In this area, it is difficult to keep current with the rush of events because of changing contextual conditions, the extension of goals, and the revision of programs to benefit from experience in program administration. The authors of the curriculum statement for Sequence 2 have made a notable effort to do so, we believe, with considerable success. The reader must realize, however, that although the curriculum statement provides a guide in broad outline identifying basic problems, significant issues, and trends in program development, it is up to the reader to fill in many details as changes occur.

Dr. DeWitt C. Armstrong III, Brig. Gen., U.S. Army (Ret.), who is a veteran of strategic planning assignments with the Departments of the Army, Defense, and State, as well as numerous military commands in Europe, Asia, and the United States, has added new material to Unit 1. Dr. Herbert C. Morton, co-author of the most widely read of all Brookings books, *An Introduction to Economic Reasoning*, former Associate Commissioner in the U.S. Bureau of Labor Statistics, and currently Director of Public Affairs at Resources for the Future, has replaced William S. Warne as the author of Unit 2, and has given increased attention to the mysteries and intractabilities of controlling the economy. Richard L. Seggel, currently Program Operations Officer in the National Institute of Medicine, National Academy of Science, a life-long student of national social policy, saw much of it from the inside, as an administrator for a third of a century in Federal social policy agencies, including the U.S. Public Health Service, the National Institutes of Health (as Associate Director for Administration), and HEW (Deputy Assistant Secretary for Health Policy Implementation). His extensive revision of Unit 3 provides a comprehensive review of the evolution of national social policies over half a century of dramatic advances as well as some discouraging disappointments.

The curriculum statement for Sequence 2 reflects the richness, variety, and complexity of national efforts to deal with imperative problems. It is a story of mingled triumphs, limited successes, and some misfires. The curriculum statement *requires*

careful reading and thoughtful reflection. Participants who give it this attention will find that they have a solid base on which to build in their additional required reading, and in increasing their comprehensions of this dynamic and demanding area of public administration.

The task of the three authors in updating the curriculum statement was not easy, and we are greatly indebted to them for their careful review and analysis of events from an experience-based perspective.

—*John M. Clarke*, Director
Center for the Study of Administration

CONTENTS

UNIT 1: SECURITY, OR PROTECTIVE, FUNCTIONS THE NATURE AND PURPOSE OF THE SEQUENCE i

INTRODUCTION 1 Keys to Professional Analysis 4

NATIONAL SECURITY 6 What Is It? 6 Some Pertinent Concepts 8 How Is It Changing? 9 Why is Security Increasing In Importance? 12

National Security Problems 14 The Nuclear Hazard 14 A Turbulent World 15 The Development Gap 15 Economic Conflict 16 Congressional Constraint of the Executive 16

National Security Issues 17 U.S. Relationships with Great Powers 17 Strength and Manning of the U.S. Armed Forces 18 What International Economic Structures 19 What About the Developing Countries? 20 Reconstructing Foreign Intelligence Capability 21 Demonstrating National Will and Determination 22 How Can the United States Reduce the Risks of Nuclear War? 24

CRIMINAL JUSTICE 24

Criminal Justice Problems 29 Diffusion of Responsibility 29 Ineffectiveness of Anti-Crime Programs 30 Limited Comprehension 30 Manpower Difficulties 31 Police Improvement 32 Court Improvement 32 Corrections Improvement 33

Criminal Justice Issues	34
How Best to Manage Reform	34
Is Violent Crime Subsiding?	35
Is White Collar Crime Too Little Noticed?	36
What Should Corrections Do?	36
Inequity in Sentencing	37
Decriminalization	37
Police Behavior	37
 SECURITY AS THE FOUNDATION OF GOVERNMENT	38
 INSTRUCTIONS	40
Commentary Assignment	40
Required Reading	41
Supplementary Reading	42

UNIT 2: ECONOMIC POLICY, ENERGY, AND THE ENVIRONMENT

HISTORICAL OVERVIEW	45
Employment and Stabilization Policies	45
Environmental Policy	48
Energy Policy	49
The New Challenge to Economic Policy	50
 ISSUES IN MACROECONOMIC POLICY	50
The Tools	50
Effectiveness of Macro Policies	52
Employment Training Policies	54

ISSUES IN ENVIRONMENTAL POLICY	55
When Markets Fail	55
Regulation vs. Incentives: The Legislative Record	57
Rationale for Charges	59
ISSUES IN ENERGY POLICY	60
The Changing Energy Picture	61
Alternative Energy Sources	64
REQUIRED READING	67
ADDITIONAL READING RECOMMENDED	68
COMMENTARY ASSIGNMENTS	68

THE NATURE AND PURPOSE OF THE SEQUENCE

Policies, which are guidelines by which governments move to achieve, or to aid in the achievement of society's goals, are obviously of great concern to administrators; for administrators are necessarily major contributors to the formulation of policy, and they bear the burden of the action to carry out policies. Without their contribution to the formulation process, policies are likely to be ill conceived for execution; and unless there is feedback of experience in execution into the process of policy refinement, the emerging needs of society may be too long ignored, leading to stagnation rather than progress in attaining goals.

The Focus of The Policy Formulator Sequence

The functions of government are now so extensive and the programs by which the functions are sought to be achieved are so varied and numerous, that it baffles the mind to comprehend them all. Each has its purpose, its proponents, and its clienteles, as well as its authority, organization, procedures, personnel and funds. It is obviously not possible in any course in public administration to

survey them all, let alone to study them intensively. The purpose of this sequence is rather to consider three program areas on which especial public and governmental attention is centered in the 1980's. In these areas there are high priority goals, policy "imperatives," so to speak. In these areas the public administrator's role in contributing to policy formulation and development must be played fully and efficiently, if there is to be adequate progress in developing feasible action programs which can deal effectively with urgent problems.

The Stages of Action

Stages in governmental action may be noted, among them: the identification of difficulties and danger, or problems and needs which are of social consequence; the arousing of public concern; the fixing and/or clarification of goals; the development of ideas for remedial action; sorting out alternatives; determining intermediate objectives and selecting means to reach the ultimate goals; devising action programs—methods, organization, manpower; assigning powers and allocating resources; and the drive to execute plans and programs feeding back into revisions the lessons of operating experience. There is no stage at which the administrator cannot make a useful "input," directly or indirectly, although it must more often than not be advisory, informative, and persuasive rather than authoritative, especially in the early stages of policy formulation. But since so much depends upon the administrator's "input," he must find ways of making it effectively without interfering with the contribution of other and perhaps more obvious contributors to public policy.

Goals are Important

Not much happens in public affairs until society's goals are established and until there is public commitment to them, but the experienced administrator knows that the means, methods, and style of action are just as important as the goals and objectives, and that goals cannot be obtained until efficient means of action are found, or invented. Despite centuries of concern with public health, Western civilization made little or no progress in controlling disease until the 19th Century bacteriologists broke through the ignorance barrier to determine the nature and cause of disease. Since then progress has been phenomenal, but the possibility of

effective action is still limited by the extent of knowledge of causes, and by the availability of effective means. In this, as in other fields of social need and concern, governments have to know what they are doing to be effective.

Some goals of public policy are long established and relatively stable, although they may be latent rather than salient in the public consciousness—until they are challenged. For example—domestic order, and national security. Others are newer and changing, and partly because they are newer, they seem to be quite ambitious. But here, too, new goals have antecedents going back a long way, even though the precursors were, by today's standards, very modest. Western civilization, for example, has been concerned with relieving destitution in some way since nation states emerged from feudal Europe; but the welfare, public assistance and social insurance programs of today have advanced a long way from the Elizabethan poor law reforms. The goals are still advancing, and the methods of attaining them are also changing.

Policy Imperatives

Some public goals take precedence over others, although priorities may change with time and circumstances. Goals also vary in the firmness of public commitment. A few goals have an overriding importance, and there is a firm commitment to a more or less determinable objective. These goals are "imperatives"; there is almost a compulsion to attain them. These imperatives outrank all others, and tend to have preferred access to funds and resources. Real difficulties arise when the policy imperatives conflict. These conflicts tax the wits, ingenuity and honesty of public figures (and other administrators as well). It is this competition for resources and conflict of goals which make public administration particularly difficult in the 1980's.

Some of the country's long established and formerly latent goals have been challenged. Newer goals keep advancing, making more and more demands on national resources. Suddenly still newer imperatives not only compete for resources but challenge prior imperatives. The conflict of goals then becomes very real. The public, and also the experts, tend to be confused. The administrator is hard put to bring his knowledge and experience to bear upon the issues. He finds it difficult to get the real problems understood and to get evidentiary data considered. Last but not

least, it is hard for the administrator to escape being made the scapegoat if problems fall short of objectives, and if necessary accommodations to conflicting purposes are unacceptable to one important segment of society or another.

It is no comfort to the professional administrator to know that when political executives in positions of top power and responsibility blame the failures, or limited successes, of government on their predecessors, and when they attack the "bureaucracy," it may be done in order to distract attention from their own meager performance as executive leaders. The professional administrator has no such recourse. He is committed to making public programs work to the maximum extent possible, whether or not the goals were set within reason, and in spite of the fact that mandated programs may have been misconceived. He must try to make his advice available in time, and with sufficient persuasiveness, to avoid these handicaps; but he is not always successful.

Influence and Responsibility

Fortunately the professional administrator's contribution to policy formation tends to be increasing, although there are ups and downs in the line of progress. He is listened to more often than formerly, when he is recognized to have genuine expertise, and where his objectivity is established. This enlarging influence puts increased responsibility on his shoulders. He must know what he is talking about. His wisdom must be soundly based on understood experience, and his advice and analysis must be factually supported in convincing fashion. The size of his opportunity is also the measure of his challenge.

The Focus of the Sequence

The purpose of this sequence is to consider some of the policy imperatives which dominate the thinking of the nation, and which motivate critical governmental programs. First to be considered are the oldest imperatives, the need to prevent and curtail crime, and to provide for national security. Although these goals have never been completely realized for long, it is essential to contain violence, both domestic and international, within limits, in order that civilized society may flourish.

Next in this sequence, attention turns to economic imperatives: the goal of "full employment" which was etched in the nerve

system of the nation by the "great depression" of the 1930's; the ambition to achieve endless prosperity through growth, an aspiration of the 1950's and 1960's; the transition from "creeping" to "leaping" inflation in the 1970's; and the shocks of cumulative pollution and approaching exhaustion of resources, which stimulated recognition of the need to restore and preserve the physical environment. The fact that the newly urgent necessities (to limit pollution and to economize in the use of energy), are at least in part the direct consequence of aggressive pursuance of the earlier economic goals, makes the present dilemma the more confusing and difficult to accept. The nation, in a sense, has committed public officials to achieving goals, all of them "good" which nevertheless conflict. The public has a problem—but administrators will have to solve it, probably by meticulous and successive rational adjustments of objectives, and of the myriad economic controls and incentives through which governments participate in the mixed economy of the 1980's. The success of these moves, of course, will depend upon effective communication to keep the public fully aware of the reality of problems faced and the administrative necessities to solve them.

Finally in this sequence come the most emotion filled imperatives of all, the goals of escaping ignorance, poverty, sickness, and discrimination, and of providing equal opportunity for all men and women — opportunity for self fulfillment and achievement. The national programs which evolved at an increasing rate (but perhaps not always with adequate preparatory analysis and planning) came to constitute an almost bewildering array, involving national, state and local authorities. The operations of government have become peculiarly "federal". The goals to be attained are emotionally supported, elastic and open ended. The knowledge of causal factors is frequently inadequate, and there is a tendency to grasp quickly at remedies which have not been validated.

The controversy over the social and human service functions which characterized the early 1970's was perhaps inevitable. But unfortunately for the prospects of a reasonable outcome, the public debate at the political level has not always been fact-based or rational. Assertions and allegations of either success or failure need to be supported (as frequently they have not been). So too does either rejection or adoption of methods of action, if there is to be clarification of policy and progress in performance. The goals

themselves seem to have been challenged, albeit somewhat disingenuously. The new line of action avowedly centers on methods and agents of action; but the thrust of administration policy in the early and mid 70s seemed to be (anomalously) toward curtailment of some programs and expansion of others, but leaning toward curtailment.

This situation highlights a significant characteristic of the social imperatives. The goals are less clearly defined, and possibly less easily definable than security or economic imperatives. The public commitment to them is less firm, and response to remedial measures is frequently delayed. That is, a longer lead time is required for remedies to take effect. The results also are possibly more difficult to measure.

The Outlook

All in all, this area (the pursuance of policy imperatives), and this era of public administration, promise to be emotionally exciting, intellectually challenging, and administratively critical. Despite vacillation, American society is not likely to abandon its imperative goals. There is much administrative experience to point the way to improved performance of more efficacious policies if it is mobilized and listened to; and organization, procedures and powers can be adjusted to secure the needed high degree of coordination between programs and functions of government, given a little time, patience, and the will to see the adjustment made. Wise and farsighted leadership at all levels will be an important factor in determining the rate of progress. Looking ahead from where we are now, and assuming (as we must) that over time, in a democratic society, reason will prevail, the prospect is not gloomy — just turbulent. This is a critical time in the nation's history and public administrators are in the middle of the action.

Instructions

Please note the instructions to participants in the text and at the end of the curriculum statement for each unit of the sequence. The tasks assigned vary, but all call for informed judgement based on knowledge of the facts, clear thinking, and realistic consideration of the impact of contextual forces on the work of government in each participant's area of professional activity. Clear analysis and concise exposition in the commentaries are invited and will be most favorably regarded by the preceptors.

UNIT 1

SECURITY, OR PROTECTIVE, FUNCTIONS

INTRODUCTION

A sense of the enduring importance of security, or protective, functions is suggested by their prominence in the basic national law of the United States. The preamble to the U.S. Constitution reads: “WE THE PEOPLE of the United States, in Order to form a more perfect Union, establish Justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the Blessings of Liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.”

Those are the fundamental priorities. From efforts to achieve them have come living, evolving institutions which are the foundation for daily governance, the foundation for the ability to live and work together in peace. In order for those foundations to be solid, so that the current generations may in turn meet their obligations to America’s posterity, those constitutional priorities, and their present institutional reflections deserve attention.

Government's first responsibility is to protect people and their territory. Citizens must be and must feel secure from the threat of force against them, whether that threat is from an external enemy, a criminal within, or the government itself. Only when a peaceful, orderly framework exists can individuals subsume their interests into the general welfare, so that common energies, reinforcing rather than conflicting, can then be applied. Hence, the preamble's emphasis upon justice, tranquility and defense. When these three are reasonably assured, the citizenry can together promote the general welfare; combining the four can indeed secure the blessings of liberty.

But none of this is automatic. It must be achieved by men and women acting within institutions, and the people and the problems they confront are affected by contemporary conditions.

The security functions which governments in the United States perform in order to protect people, their property, and their interests fall primarily into two areas: national security and criminal justice. In both areas, nongovernmental entities are also active; for example, steel companies import ore to make tanks, and electronics firms market anti-burglary devices. But the basic responsibility for national security is borne by the federal government, and for criminal justice by state governments. At various times in history, neither of these security functions was an immediately pressing concern, but even at those happy times there were significant numbers of Americans engaged in keeping the peace. Now and for the foreseeable future, however, both security functions are consistently at or near the very top of the public agenda, and together they engage the efforts of about fifteen percent of employed Americans.

Actually, national security has been of high priority in the decades from the 1940's to the present, and continues to be imperative. In these busy decades, the United States has fought three foreign wars, accepted reluctantly the leadership of the Free World, multiplied enormously the extent of its diplomatic and political activity abroad, and developed an unprecedented degree of economic interdependence with other countries. After the divisive war in Vietnam and the convulsions of Watergate, the nation tried for a period to turn somewhat away from external concerns. However, the events in Iran, Afghanistan, the Middle East and in the SALT II negotiations, reawakened public consciousness of how important were such concerns. In the 1980's, the American

people will be much involved with important problems and issues in the national security field.

The criminal justice area, on the other hand, had attracted only relatively superficial and sporadic attention from the American people until the rates of violent crime soared in the 1960's. People then became alarmed about crime in the streets. They avoided the central cities, especially at night, and put extra locks on their doors. Political leaders resonated to the ever shriller, louder cries for "law and order" and, if racist code words may have sometimes been involved, it was also clear that the loudest cries were coming from Blacks, who were the main victims and wanted better protection. The potential damage which fear and violence might do to social cohesion and prospects for democratic government became clear to many people. Major efforts, therefore, were made by all levels of government in the late 1960's and the 1970's to improve the situation. Throughout this period, public opinion survey after survey consistently showed the crime problem to be the foremost concern of the general public. Only as economic problems worsened in late 1978 did crime slip from first place on the list. Even so, it remains a crucial problem and promises to continue as such for years to come.

Achieving even relative security in both areas abounds with difficult problems. Some of these difficulties are much in the public eye and are often discussed with passion. Other problems are visible only to the experienced, perceptive specialist, even though some of these may be even more important to the nation's future tranquility and security than problems which get headlines. Impatient people, and some political leaders, grasp for quick and easy answers, become frustrated easily, and tend to look for devils to blame. There is a constant temptation toward single-factor analysis, explaining everything in terms of just one element in a situation which in fact is intricately complex. Public administrators who themselves are not fully immune to such tendencies, need to keep them particularly in mind.

For, given the importance of these problems and the amount of attention which governments give them, it is rather unlikely that any of them are simple to explain or easy to resolve. Before they can be really understood, considerable data must be gathered and grasped, with much use of concepts of cause and effect. Before policies or actions of any value can be selected, extensive analysis

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For, given the importance of these problems and the amount of attention which governments give them, it is rather unlikely that any of them are simple to explain or easy to resolve. Before they can be really understood, considerable data must be gathered and grasped, with much use of concepts of cause and effect. Before policies or actions of any value can be selected, extensive analysis

is essential, involving consideration of alternatives and the consequences, including side effects, which are likely to follow.

Yet these are not impenetrable mysteries to be comprehended only by specialists, if at all. The generalist who approaches problems and issues in either national security or criminal justice in a professional manner can penetrate these matters to some degree, if he or she wishes, and takes time to do so.

As in all areas of public administration, professional analysis is essential with regard to the security, or protective, functions. Problems and issues in these areas must be considered analytically in order to deal with reality and to determine the wise course of action. The points discussed before are elementary in professional analysis and should be kept in mind.

Keys to Professional Analysis

To master the professional approach of a public administration generalist is of course an objective of the three-year Nova DPA program; at this early state in it, one ought not to expect high competence. But now is not too soon to begin looking analytically at problems and issues. The following points are basic to doing so in a professional fashion:

CAUSE AND EFFECT: Public administration involves people and organized groups of people. Although the way they behave is not random nor often capricious, neither is there perfect understanding of how to predict their behavior. To predict requires employing concepts of *what cause* will produce *what effect*. Sometimes uncertainty suggests using several alternative cause-and-effect concepts in parallel analyses. Analysis is poor which uses such concepts unconsciously, leaving most of them unstated, unrecognized, and implicit; for it is prone to error. Professional analysis which identifies explicitly the causal concepts being used, so far as possible is less likely to err.

THE FACTS: To collect and comprehend enough of the relevant facts is a prior necessity for sound analysis. Since facts often come packaged in viewpoint, especially when important policy issues are at stake, discriminating judgment must be applied to them. If several different viewpoints can be consulted, mutual correction may result, although occasionally, adversaries may share a common misunderstanding. Unless time-urgency truly demands it, the professional generalist never substitutes his own general awareness for the more current, more specific knowledge

obtainable from expert sources. Neither does he take expert contributions at face value, however; but instead, he applies the critical tests of experience and common sense.

CLINICAL OBJECTIVITY: One's own viewpoint, policy preferences, and even emotions can act as filters, which distort how one perceives facts and which thus obstruct clear understanding. To perceive objectively requires recognizing one's own particular biases. It is professional to deal with data objectively and clinically.

DIVIDING FOR MANAGEABILITY: Even very complex issues can be analytically penetrated and divided into parts which are of manageable size. To break apart an issue is to permit concentrated attention to the adequacy of data and casual concepts, the existence of implicit assumptions, and the presence of routes toward resolution, with respect to each component part. The alternative to thus decomposing a complex question is to treat it impressionistically and intuitively, which lowers the likelihood of success. The professional way is to analyze.

DYNAMIC ANALYSIS: Most analysis in public administration is dynamic analysis. Hardly anything an administrator is really interested in rests in stable equilibrium, and the administrator usually seeks ways to change it for the better. Dynamic analysis focuses on interactions and usually involves alternatives, frequently for choosing among various options for action or policy. By using data and concepts of cause and effect, the professional tries to visualize what would be the consequences and the implications of each option, for this permits comparison and a sounder basis for choice.

PROBLEMS AND ISSUES: The importance of objective analysis should be kept in mind as the two topic areas of Unit 2.1 are considered. The intent here is to take note of some of the main "problems" and "issues". The discussion below will assume a basic difference between these two concepts. A *problem* is taken to be a rather enduring obstacle which lies between the individual and the attainment of his broad objectives. Ways around it may be found, or ways to ameliorate its ill effects may be discovered, but the problem cannot be finally "solved", that is, it will not disappear. The existence of such a problem is widely accepted, although different people might describe it in somewhat different terms. An issue, by contrast, is a matter which needs decision: What public action, if any, should be taken? Agreement may be narrower about how to define the issue, or even about whether such an issue really

exists. In any case, an issue is relatively transient; once decided, or set aside, it will be succeeded by other issues, like steps in a journey.

Public debate is ordinarily about issues, but occurs against the backdrop of problems. Contending parties often describe that backdrop differently, for either perceptual or tactical reasons. Among thoughtful professionals, however, the priority goes to correct identification of the problems, so that those issues can then be chosen which, when resolved, will make the most worthwhile contribution. As Mary Parker Follett explained so many years ago, early and accurate identification of the problem is a most important step in avoiding frustrating conflict over issues, and in reaching agreement among interested parties as to the wise course of action. This theme runs through her essays on *Dynamic Administration*, which you will read in Sequence 4.1, "Organization and Management Principles". They will repay careful study.

NATIONAL SECURITY

What Is It?

The term "national security" is not precise, and is interpreted in different senses. It is used here simply because no better term is available. What it signifies is the supremely fundamental function of protecting the American people and territory, and activities abroad from foreign injury. Obviously military forces and their operations are involved, but the function and the term cover far more than that. Diplomatic and international political activity play vital parts in national security, and international economic activity *is increasingly influential*. In preventing war, the nation tries to *maintain military capabilities* which will make unattractive the idea *of attacking the United States*. But the nation also tries to foresee *and to resolve international tensions*, and to create situations *which deter other countries* from considering the use of force. Here is where international political and economic measures, applied and reinforced with the help of diplomatic activity, make major, continuing contributions to national security. And an indispensable *underlying contribution* to all this is made by U.S. foreign intelligence activities.

For present purposes, then, "national security" comprehends the work of the State and Defense departments, the military services, the Agency for International Development, the CIA, and much of what the Treasury Department does. Scores of other agencies also contribute, such as the Federal Aviation Administration, the FBI, and NASA.

The White House manages the national security function, making substantial use of the National Security staff, headed by the President's Special Assistant for National Security Affairs, as well as of the executive departments and agencies. A dozen or so congressional committees are continuously involved, plus others intermittently. Coordination of all this is a highly developed, but occasionally imperfect, art.

In addition to these central agencies and figures, throughout not just the federal government but the society at large, are many, many others with some involvement in national security. Manufacturing industries, communications companies, agricultural experimenters, think tanks, the U.S. Olympic Committee, and wheat farmers are among them. The degree of government influence on what they do may range from slight to zero. Nevertheless, the persons responsible for national security must at least be aware of how these nongovernmental entities may be affecting the national security situation, and sometimes may need to encourage, subsidize, educate, or divert one or another—within the rather narrow limits of applicable law.

Here is one of the great differences between this nation and many others. What is done abroad by organizations and most individuals from the Soviet Union, East Germany, China, or Vietnam—whether trade missions, scientists, or athletes—is done for national purposes, and is supervised and controlled (sometimes imperfectly) by the government which sends them. But the U.S. government puts very few restrictions, perhaps mostly taxation-related, upon what missionaries, computer companies, or the Harlem Globetrotters do outside the U.S. It most certainly does not use them for state purposes, even though they may generate goodwill, foreign exchange, or other benefits. Between these two extremes lie many gradations in the focused use for national purposes of activity abroad. Even some of America's close allies exercise some control over such activity by their citizens, and more control is attempted by many Third World countries. What is pertinent here is that, while national security is affected both negatively and

positively by nongovernmental activity abroad, American notions of freedom cause the U.S. to abstain from marshaling and controlling the activities of American citizens toward national goals.

Some Pertinent Concepts

What national security includes can be seen in another perspective by noting a few of the main concepts within the field. Most of these terms are used loosely and imprecisely in general discussion and in the press, while specialists usually define them far more rigorously than do the brief characterizations which follow.

Consider, for instance, the two terms *national interests* and *vital interests*. Both denote whatever a nation judges it must protect from foreign-originated harm, in order to ensure the nation's well-being. There is a grave distinction, however, which average newspaper readers (and sometimes writers) may overlook. For a vital interest is perceived as all but indispensable to survival, and hence something the nation would fight to preserve. It is worthwhile for the reader to reflect for a moment about what items he or she would list among U.S. vital interests. (No two lists are likely to be identical, nor would the lists of a group of national security specialists.)

The concept of *deterrence* has spawned a massive literature in the past 20 or 30 years, but the basic approach is an ancient one. It is to dissuade hostile action by causing a potential aggressor to see the likelihood that effective counteraction would bring greater costs than gains. Now that catastrophically destructive nuclear weapons are so abundant, and the modes of using them are so varied, scores of variant expressions — graduated deterrence, finite deterrence, conventional deterrence, mutual assured destruction, credible deterrence, stable deterrence, and so on — have come to be used. Each such expression is usually shorthand for a long and tightly reasoned set of abstractions, but all have to do with discouraging attack.

A term often heard during the 1970s was *balance of power*. Since school days most Americans have understood this as an international system in which one power shifts its policy or alliances so as to reinforce first one group of nations and then a somewhat different group, simply to keep any one power-grouping from gaining dominance or undertaking aggression. Yet some people interpret the term to mean a dead-even, neck-and-neck

situation of U.S. and Soviet power; since many of these Americans want the U.S. stronger than the USSR, the concept is repugnant to them. Besides these two interpretations, another five or six are also occasionally found.

Imperialism is a long-standing concept recently used with several new twists in politically purposeful ways. It has meant the control by one state over other peoples, often distant, who thus experience alien rule and probably economic exploitation. For most Americans, it is difficult to conceive how the relationship between the USSR and, say, East Germany is not precisely that. Yet it is Americans, who invented decolonization and—to be blunt—imposed it on European allies, who are called imperialists by the Soviets. No doubt they have in mind American economic activity in, for example, Latin America. Some antiwar protesters in the 1960s called the U.S. government imperialist, too, saying that it prevented the Vietnamese people from choosing who should govern them. The term was neutral or even positive early in the century, but now it is clearly pejorative.

A principle especially urged by the U.S. is *free trade*, or the absence of governmental interference with normal free-market commerce across international boundaries. Even though the U.S. is dependent upon imports in some critical areas, international trade is far less important to it than to nations such as Japan and Britain—or even Venezuela. Domestic pressures are no less felt here than elsewhere: just as Japanese auto manufacturers want no foreign penetration of their markets, so also do American shoe manufacturers and unions want insulation from low-cost competition from abroad. When such pressures are too strong for a central government to withstand, various measures of *protectionism* are applied. These may be import quotas, high tariffs, export subsidies, minimum price controls, or some other subtle barriers, but their purpose is to protect the markets of domestic producers.

How Is It Changing?

Until the late 1960s, national security matters were considered to have two main components. One was diplomatic or political, while the other was the defense or military component. Major changes, however, have made the inclusion of an economic and a domestic component quite frequent as well.

International economic questions, it is true, had on previous occasions entered the national security area. In the early 1960s, for

example, when its balance of payments was adverse, the U.S. induced Germany to pay some costs of stationing American troops there. But such exceptions were treated as exceptions, proving the rule that national security was — to use the graceless but quite accurate name of the State Department element involved — politico-military.

By 1980, the economic content of national security, had come to be neither minor nor occasional, as before, but major and continuous. Contributing principally to this change had been the problem of oil supply from abroad. The demand for imported oil had grown rapidly while costs had risen even faster and the political milieu of overseas supply sources had taken several unfavorable turns. An aggravated domestic inflation, declines in productivity, and the diminished role of the U.S. dollar internationally had combined to erode foreign confidence in U.S. economic strength. One consequence was the increasing political assertiveness of certain allies seeking better protection of their own economic futures, which somewhat obstructed U.S. leadership in political and defense matters. American leverage abroad in pursuing such policies as discouraging nuclear weapons proliferation had been eroded by the continued growth of alternatives to the U.S. as supplier of, for example, steel, trucks, and electronic equipment. Meanwhile, the threat of adverse or even hostile control over sources of oil for key allies and the U.S. itself was growing more ominous.

Increasingly one saw economic matters becoming intermixed in situations or transactions which formerly were only politico-military. Moreover, the number of defense and foreign policy questions activated by economic factors had risen sharply.

Domestic considerations also had intermittently figured in national security areas, but much less so than today. Before the late 1960s, appropriations for defense and especially foreign aid had usually been resisted to a degree by groups advocating domestic expenditure; there were always factions urging this policy or that; and sensitivity to airplane contracts and base closures was always keen. But the support which the public and the Congress had given to the Executive Branch's policies and programs in the national security area for 30 years had been remarkably broad, remarkably consistent.

By 1980, however, there was substantial and unceasing domestic constraint upon executive branch freedom of action on

national security matters. This applied whether the executive preferred a more active or a more passive policy, whether more foreign aid was proposed or less. The reason was not better public understanding of the national security field, for actually the public's attention to it had declined. But the public, often influenced by small activist groups, no longer assumed contentedly that the proper authorities would act wisely in the public behalf. Instead one often saw an assertive insistence that responsible authority was likely to be either wrong or wrongheaded. While proliferating interest groups urged their single views, and the media stressed the negatives about government, the Congress was quick to resonate and then to legislate some new encroachment upon the Executive's discretion. However much this seemed the normal working of pluralist democracy, many professionals believed it had been so exaggerated in the national security area during the 1970s that it often seriously harmed the public's true interests.

The turnaround of national policy on Vietnam persuaded many people that orchestrated protests and media manipulation could gain success for views initially held by only a few. In a tumult of revelations about conduct in Southeast Asia and the Watergate scandals, the "Imperial Presidency" was denounced, the term "national security" took on a bad odor, the CIA's secrets and sources were exposed, and much legislation sought to eliminate all opportunity for federal sin. As turnover in Congress increased, new members hastened to respond to the reformist temper of the times. Congress repeatedly intervened and upset delicate international settlements such as those for the Greek-Turkish conflict in Cyprus, U.S.-Soviet trade, and, very nearly, the Panama Canal Treaties.

As Congress's power grew and economic issues became more important, domestic pressures for economic protectionism intensified. Scores of constituencies sought federal action to ward off foreign economic competition, whether from Japanese steel, Czechoslovak shoes, or whatever. The Executive, certain that free trade greatly advances the national interest, and intent upon eliminating hurtful protectionism by the Japanese and others, found these domestic pressures incessant, erosive, and all but impossible to withstand.

Since legislation and appropriations by the Congress establish the framework within which national security can be pursued, and since interest groups ride ever closer herd on the Congress and its multiplied staffs, the executive branch found that most national security issues involved a significant domestic component.

Why Is Security Increasing In Importance?

The circumstances of the 1980s seem destined to make national security matters more prominent than ever on the American scene. Perhaps the chief reason is the Soviet situation, and the second was U.S. uncertainty in interpreting it. Despite efforts in the early 1970s toward detente, the USSR has steadily strengthened and extended its military capabilities. Its buildups in nuclear missiles and naval power had been publicized because the USSR was formerly well below U.S. levels in both. Now, however, terms like parity and equivalence were applied, yet the Soviet growth continued apace. In ground forces, the Soviets had always been the leader, but even here the same growth in size and capability was occurring. Why the USSR continued to increase its military power at high cost to a sore-pressed civil economy was not clear. In the U.S., there was contention about the various alternative explanations. Some people still saw a defensive quest for security, others spoke about bureaucratic politics within an authoritarian government whose military component was influential, and still others perceived an offensive motivation—foreseeing not so much actual warfare as the indirect application of powerful military leverage toward political advances throughout the world. Meanwhile, another period of Soviet leadership transition was clearly imminent, bringing more uncertainty and more opportunity for misadventure.

Transitions elsewhere seemed likely to occur at a faster pace than usual. Yugoslavia would soon undergo one which might create real hazards. Iran had not achieved stability. China's leadership and policies seemed likely to pass through volatile periods again. The Middle East was far from stable. Violent changes were happening at an increasing rate in Africa. In a number of these changes, the Soviets or Cubans had been involved, showing a new capacity for long-range projection of military power.

At the same time, the overall tone of the American security situation was distinctly negative, at least in the short term. Violently divided as a nation, the U.S. withdrew from Vietnam and watched the Communist North conquer the South which America had pledged to support. Thereafter U.S. allies elsewhere no longer perceived America in the same way they had before. The Country suffered the protracted agony of Watergate, and the passions aroused by it and by Vietnam led to reducing the foreign intelli-

gence system, possibly the world's best, to near impotence. As the U.S. stumbled into a largely self-inflicted inflation, the price of oil was abruptly quadrupled, causing economic convulsions and apparently enduring harm to the world's perception of U.S. economic leadership. Many other factors were also involved, but the dollar so declined that its status as the world's reserve currency came into doubt. Then, having abolished nonvoluntary military service, the U.S. cut its armed forces to a size supportable by volunteers and dropped the defense budget to the lowest percentage of GNP since the post-World War II demobilization. Meanwhile the Congress asserted itself in foreign policy so often and so forcefully as to create doubt abroad about the ability of any president to conduct a coherent national security policy. Many observers said that the nation's foreign affairs establishment had suffered a "failure of nerve." In recognizing at last that the U.S. was not omnipotent in world affairs, Americans generally seemed to have fallen nearly to the despairing view that America could do nothing, that nothing was really worth trying.

But in mid-1979, a great debate began to shape up, and promised to refocus public attention upon national security. The SALT II agreements and the constitutional requirement for Senate action on them provided the occasion, but the debate seemed sure to continue long after that action was complete. A year earlier the Panama Canal Treaties had raised the activity levels, and then the so-called "Arc of Crisis" (Angola, Zaire, Somalia, Ethiopia, Afghanistan, Yemen, and, resoundingly, Iran) had erupted, bringing new energy problems as well as discontents about American ineffectiveness abroad. Some opponents of SALT II had long been organized and active, while the news media had been increasing the coverage of the U.S.-Soviet relationship. There was even the beginning of some open discussion of how best to man the armed services.

Levels of consciousness about national security, already rising, seemed bound to be further stimulated by the SALT debates. Public attitudes, apparently more concerned and more supportive of defense increases than the Congress generally, seemed likely to become more manifest and presumably would be reflected in Washington. But to reach national consensus on new nuclear weapons strategies, on how to man the services, and on a host of other national security questions would surely require more than just a year or two. The prospect therefore seemed to be for some

years of higher intensity attention to national security and significantly increased appropriations for defense.

Considering the national economy's visible prospects, government spending for nonsecurity purposes could thus be expected to decline proportionately. Hence the impact of national security upon public administrators seemed apt to increase.

NATIONAL SECURITY PROBLEMS

Against that background, several of the most basic of the enduring problems in this field will be considered. In the next section, some of the current issues before the nation in the early 1980s will be noted, but it is first necessary to identify the problem areas from which they arise.

THE Nothing else remotely compares to the human and social destruction which could come through unrestrained nuclear war. The U.S. and the Soviet Union both possess many thousands of nuclear weapons aimed today at each other, and if used they could cause scores—perhaps hundreds—of millions of casualties. Several other nations have small nuclear arsenals as well. While some analysts suggest that very limited nuclear conflict is feasible, many strategists and political leaders believe the profound uncertainties of escalation make this most imprudent to consider. The dangers and the uncertainties do bring some security, as Bernard Brodie explained in his classic *War and Politics*, and there are some positive factors: fewer nations have made nuclear weapons than was feared, statesmen are increasingly sophisticated, and precedents for nuclear abstinence during conflict exist.

Nevertheless, the weapons are still there. World government is not in prospect, nor is nuclear disarmament. The SALT II outcome and the presently visible prospects for SALT III promise little or no reduction in the physical capacity for mutual devastation. Since misunderstanding and irrationality are not totally unknown among the world's statesmen, even Brodie judged that unrestrained nuclear war was still a live risk.

Most Americans seldom remember that risk, however. They have evidently learned to live with it. Only during great crises every decade or so have they momentarily realized how enormously greater is this nuclear hazard than the total of all the other

risks that normally engage their attention. Whatever the public's mental block, however, the U.S. government must keep the nuclear threat constantly in mind. For government's most fundamental duty is to make the chances for general nuclear war ever more remote.

A Intensifying the nuclear hazard is the fact that ten-TURBULENTsions among nations are frequent, but no orderly WORLD system exists to resolve them. There have been historical periods when international conflict was routinely resolved without significant armed violence. Following each World War there was brief hope that another such period might emerge. In fact, the prime objective of U.S. policy for over a generation now has been what President Kennedy called "a peaceful world community of free and independent states, free to choose their own future and their own system so long as it does not threaten the freedom of others." Gratifying progress is visible in the former West European cockpit. Elsewhere, new nationalisms, political violence, and accelerated ferment have contributed to making armed conflict more frequent than ever. Despite sustained U.S. efforts, the world still lacks an assured mechanism for resolving problems among nations without violence. Several times a year the U.S. must weigh the obvious advantages of noninvolvement in a conflict elsewhere against the potential long-run effects on the chances for a larger and possibly a nuclear war. The security of Americans is what causes the U.S. government to pay attention to conflicts between Arabs and Israel, India and Pakistan, Vietnam and Cambodia, Angola and Zaire.

THE Led initially by the U.S., all industrialized na-DEVELOPMENT tions have come to recognize that their own GAP national interests require them to help the less-developed countries advance economically. There has been encouraging progress in development, plus vivid success for such countries as Brazil, South Korea, Mexico, and Taiwan. But some of the poorer countries see the gap between the industrialized nations and themselves as widening rather than closing. They have begun banding together to some extent to increase their pressure on the West, for the changes in how they think have outpaced the changes in how they live. The result is, as Zbigniew Brzezinski

explained in a 1973 *Foreign Affairs* article, "a heightened awareness of global inequality and an increased determination to erase it. Intensified social and global animosity are bound to be the consequences..." Some professionals are concerned lest the economic frustrations of some poorer countries might one day pull the U.S. into an unwanted war.

ECONOMIC Neither steady nor spasmodic economic leverage is new to international relations, but the 1970s brought something even closer to economic warfare waged in peacetime. Arab manipulation of oil supplies and prices is the most dramatic but not the only example. As economic interdependence has flourished, the industrialized nations have grown more and more dependent upon primary products generally. One now sees these manipulated by the less-developed countries which supply them, while industrialized nations scramble to reduce their vulnerability. The ingredients are now at hand for a nation, or a group of nations, to do serious economic harm deliberately to others. It is by no means unthinkable that economic warfare, pushed toward extremes, could bring on armed conflict.

CONGRESSIONAL The American President was on a shorter tether in national security affairs during the 1970s than during the 1950s and 1960s. As rancor and distrust surged into the American political system from Vietnam and Watergate, the Congress asserted itself aggressively, and a stable equilibrium has not yet been reached. The Constitution assigns responsibility for foreign and military affairs primarily to the President, but the Congress has legislated some new limits on presidential powers. It also has disrupted delicately balanced resolutions of the Greek-Turkish dispute in Cyprus, the U.S.-Soviet trade situation, and U.S. policies in Africa, among others. By revealing secret intelligence matters, it has dried up many U.S. intelligence sources. It has even been thrusting toward Senatorial confirmation of the President's Special Assistant for National Security Affairs.

While it is beyond doubt that these Congressional shackles have limited the nation's effectiveness abroad, it is equally beyond doubt that some pronounced reaction to the "Imperial Presidency" was essential if public trust was ever to be restored. It also is worth noting that congressional staffs have been greatly increased and

have a vested interest in activism. They and the Members especially have been subjected increasingly to rather intense pressures from single-issue interest groups, as well.

Nevertheless, in the national security area, the Congress has gone too far. Unless some of the President's authority and freedom of action are restored, the U.S. performance in the national security area will suffer.

NATIONAL SECURITY ISSUES

The above problems are intensely durable, although they may change in intensity. One way to ease them is through careful choice of the issues on which to act. The issues listed below are likely to be prominent during the early 1980s.

U.S. RELATIONSHIPS Besides the U.S., there is only one **WITH GREAT POWERS** other superpower, the Soviet Union. How the U.S. should relate to it is the central element in our national security policy. In the 1970s, the themes of detente and arms limitation were prominent. Considerable Soviet involvement in such conflicts as Angola, Somalia-Ethiopia, and Vietnam-Cambodia went essentially unanswered. But as SALT II came before the public eye, there was much apprehensiveness over the sustained high pace of Soviet arms programs, which seemed well in excess of defensive needs, and over the new projecting of Soviet military power abroad. U.S.-Soviet trade remained at lower levels than had once been expected, but it did include the export of some advanced U.S. technology. There were some American voices calling for a sterner U.S. stance toward the USSR, but also many which insisted that sustained, even increased communication with the Soviets promised better prospects for lasting peace.

With her 960 million people, China may one day become a superpower. Her economy is scarcely modern, and whether further volatility of her leadership and policies will occur is still uncertain. But the USSR is acutely sensitive to China's ponderous, if ill-equipped, military forces — which do include some nuclear weapons — and is clearly apprehensive about any cooperation between the U.S. and China. In restoring its long-severed relationships with China, the U.S. has been attentive not only to the Sino-Soviet situation but also to China's natural gravitational attraction toward nearby oil-hungry Japan.

Alliance and cooperation with Japan and Western Europe are at the heart of U.S. national security policy, as they have been for a generation. To have these powerful industrialized democracies come under the sway of a hostile power would seriously jeopardize the survival of a free America, and so the U.S. has constantly nurtured the linkage with them. But there is nothing automatic or permanent about that linkage, and unless all concerned work to sustain it, the alliance could be weakened. The wrong kind of U.S. behavior could lead the Germans, for example, to conclude that their protection against the Soviet threat had become so eroded that only some approximation of Finland's accommodation with the USSR really offered them protection. Since Western Europe and Japan are not only U.S. allies and trading partners but also to a degree America's economic competitors, they and the U.S. alike encounter unpalatable choices between domestic and alliance considerations.

Besides these great powers there are some rapidly advancing candidates — Brazil, Mexico, conceivably Indonesia and Iran — toward whose future stances the current U.S. policy approaches will to a degree contribute.

Perhaps the key theme introducing difficulty into how the U.S. structures and conducts its relationships with great powers in the 1980s is the diffusion of power. It is not so much that the U.S. has lagged as that others have industriously caught up. Decisions which the U.S. could largely shape within its own political system 10 or 15 years ago must now be widely negotiated abroad, with more domestic accommodation needed.

STRENGTH AND MANNING Emerging from the Vietnam War, **OF THE** the U.S. shifted from conscription to voluntary recruiting for its **U.S. ARMED FORCES** armed forces. In order to do so, it reduced the services to that size which volunteers would support. While apparently no one believes that, for its time and milieu, the shift was a mistake, many now say the change has more than outlived its necessity. There are major problems about shortfall in reserve strength and, some say, in recruit quality. Reinforcing the anxiety about these and other defects in voluntary manning are concern over the shrunken size of the Navy, the vulnerability of the U.S. nuclear missile forces, and the low strength of the Army. Much will be heard about such questions during the 1980s.

If the armed forces are to be strengthened, defense budgets must rise, perhaps substantially. Old disputes about governmental priorities would thus be revived, and new ones probably appear. Even so, the question of nonvoluntary military service may well prove to be the most hotly argued aspect of the issue. Two alternative means are visible which could substitute for volunteer recruiting. One would be a much-modified form of selective service which would eliminate the unfair deferments of the previous one. The other, which has attracted more attention, involves "national service," in which all young men and women would be offered choice among a variety of ways to serve the nation. Besides active military duty and longer reserve service, there are proposals to include conservation work, hospital and school service, community development programs, services to local governments, and the like. The rewards and terms of these would be structured with the intent of meeting defense needs effectively.

WHAT INTERNATIONAL ECONOMIC STRUCTURES? This issue concerns what rules should apply to the transfers among nations of goods and services. Since World War II scores of regional and worldwide initiatives have addressed the problems of economic cooperation, trade preference, foreign exchange management, and the like. Of these, some have made lasting contributions, and others less. During the 1950s and especially the 1960s, while the world's nations were rapidly becoming more interdependent economically, they also were experiencing more disequilibrium among the formerly stable mechanisms for international trade. Meanwhile the number of politically independent states was multiplying about fourfold. Although approximately two-thirds of these new nations possessed less economic power than some U.S., Dutch, and Swiss multinational corporations, many of them were trying to adjust selectively the rules of the game for international trade so as to favor themselves—often at serious cost to other countries. The oil embargo and price rise of 1973-74 occurred, followed by inflations, recessions, turmoil in managing foreign exchange, new non-tariff trade barriers, currency devaluations, and interruptions to economic growth in less-developed as well as industrialized countries. A flurry of international economic expedients has not yet produced the relatively stable predictability generally wanted, while the uncertain dollar and Iran's convulsions have further complicated matters.

At this stage, then, the nations of the world feel an urgent need for updated and extended structures for international economic activity. Since the U.S. is the strongest single economic unit, its proposals and its example will carry much weight. Its former economic dominance, however, has faded significantly, while its own domestic economic difficulties have worsened. The central problem is that U.S. proposals, to be effective, must satisfy both an international and a domestic audience. Pervading the many questions the U.S. must face in dealing with this issue, writes Marina V. N. Whitman in an early 1979 *Foreign Affairs*, is one common theme: "the trade-off between policies that would promote the achievement of specific national economic or political goals, on the one hand, and those likely to promote the viability of a coherent international economic system in the long run on the other."

WHAT ABOUT THE DEVELOPING COUNTRIES? The ways by which the U.S. has tried to help stimulate economic development in less-developed countries (LDCs) are many. While the public tends to notice only direct U.S. aid by grants of money, relatively little of this is done. More assistance is given through multi-lateral institutions (e.g., the World Bank) and by long-term, favorable interest rate loans. Nongovernmental development assistance is encouraged, for example, by inducing a corporation to establish a manufacturing enterprise and to train local labor and managers. Educational development and transfer of suitable technology are emphasized. Lately the U.S. has focused its efforts toward the poorest countries and the poorer people in them. But overall the U.S. level of effort has fallen behind past performance and behind what other industrialized countries are doing. The Congress also has slowed and complicated the administering of aid by legislating over a hundred provisos which projects must meet. For development assistance to LDCs, there is not much of a constituency domestically, especially where low labor costs lead to underselling U.S. domestic producers.

By successfully urging decolonization and by pioneering in aid to the LDCs, the U.S. had done much to raise the levels of expectation in the LDCs. Much good will toward America persists there (more than many Americans realize) and during a generation of effort, the U.S. has learned much about what does not work and some about what does. Will the U.S. now, just when awareness of the development gap is becoming an unsettling factor, continue to

taper off, or will it decide that long-run U.S. interests require doing more? Recent evidence suggests that public and political interest in such a question may have bottomed out and begun to rise.

RECONSTRUCTING OUR FOREIGN INTELLIGENCE CAPABILITY A series of press exposés, Congressional inquiries, and security violations during the early and middle 1970s brought the U.S. Intelligence community, especially the CIA, into public disrepute. It was clear that in at least a few instances some CIA employees had used methods and undertaken tasks of which the American people did not approve. As the press and the Congress avidly pursued allegations of such behavior, great quantities of material that had been highly secret were openly published. The people revealing it were not punished, and a few were acclaimed by some Americans as heroes. The effectiveness of the U.S. foreign intelligence community suffered severely, not least because many valuable sources stopped being sources, lest they too suffer damage and danger by being explicitly named in the American press. Other handicaps to U.S. intelligence accumulated rapidly: restrictions imposed by the White House and Congress, requirements to clear secret operations with eight different congressional committees, plummeting morale, and then the loss of territorial access to a number of key intelligence collection sites. In 1978 and 1979, controversy about the CIA Director and his removal of intelligence professionals was frequent. In the SALT II debate, confidence that the U.S. intelligence apparatus could verify its provisions was far from universal.

The imperatives of an open and democratic society are not readily reconciled with secret intelligence activity. The idea that the national budget, an open and public document, somehow deceptively conceals substantial sums of money for intelligence makes some people uneasy, for example. In the present climate of general distrust for authority, some Americans are apprehensive about any secret operations within government. Given the traditional attitudes toward personal freedom, one particular fear is that the CIA might come to exercise some police powers, perhaps selectively. There is even some residue of the notion Henry Stimson expressed when, as Secretary of State in the 1920s, he abolished a fruitful code-breaking operation, saying, "Gentlemen do not read each other's mail."

At issue in 1979 and 1980 was the charter for U.S. intelligence — the various authorities and restrictions which would apply. As deliberations progressed, some congressional anxiety about the harm already done to U.S. intelligence results was visible. In that same light, the question of criminal penalties for revealing official secrets was being considered. Some intelligence experts believed that in the best of circumstances it would take five to ten years to rebuild a fully effective foreign intelligence capability. During that period a number of other events and policy questions are bound to appear which will permit contributions, for better or worse, by press and public, by president and Congress.

DEMONSTRATING When Soviet nuclear strength **NATIONAL WILL** mounted in the 1950s so that deterrence was no longer one-way but, instead, mutual, the concept of credibility became prominent in national security discussions. The notion was that mere possession of strength was not by itself enough to influence an opponent, for one's willingness to use that strength had to be believable to the opponent. Thus, in 1961, after Khrushchev had bullied President Kennedy about Soviet insistence on controlling all of Berlin, the president called some reserve troops to active duty and sent significant army reinforcements to Europe—to validate the U.S. threat to fight if necessary to keep West Berlin free. His action was visibly supported by the Congress and the public; the Soviets could scarcely disbelieve U.S. determination, and deterrence thus succeeded without gunfire. The showing of U.S. will had effect not only on the Soviets, however, but also crucially on America's allies, whose stanchness, thus reinforced, further lessened the risk of either armed conflict or damage to the common interest.

The pertinence of this is that a subterranean question exists—that of how the allies and the potential opponents of America may interpret its national will. Differences of judgment about that will create controversy about national security policies. Three or possibly four major points seem to apply. First, the Soviet arsenal, having steadily grown at a rate faster than America's, is now judged somewhere in the range of equivalence or slight superiority, depending on who counts what. Second, the Vietnam outcome in the 1970s made a vivid impression abroad whose full meaning Americans may not altogether grasp. At least some European leaders interpret the U.S. withdrawal as a clear sign that the U.S.

lacked national determination, and they are uneasy about what degree of determination underlies U.S. commitment to the common defense in NATO. How the Soviet leaders interpret it is a mystery, but a rather important one. Third, to a number of admittedly low-order military actions during the years since, the U.S. has made essentially no response despite some clear harm to U.S. national interests and some Soviet and occasionally Cuban involvement. These of course are the events in Angola, Zaire, Ethiopia, Somalia, Yemen, Afghanistan, and Iran. Both America's opponents and its allies, not only those in Europe, know well that the U.S. possessed some capability to influence those events but abstained from using it. Voices are sometimes heard abroad attributing this, also, to a lack of U.S. will, and one wonders about the voices which are silent. The fourth point, a tentative one, is that leaders abroad might perceive Americans as doing little to reduce oil consumption or otherwise deal effectively with an already economically damaging energy problem, and might interpret this too as confirming their forebodings about national will in the United States.

Many Americans, of course, will judge such thoughts unreal or not relevant. The U.S. should never be the world's policeman, they hold, and it withdrew from Vietnam simply to correct a grave national error. What the U.S. can do is limited, after all, and is best done mostly at home, in trying to perfect a society and economy where equal justice, and equal opportunity for self-fulfillment are accessible to all. Nor should this be read, they would continue, as introducing any doubt at all about U.S. willingness, even determination, to defend its own freedom and the freedom of its allies. Of course the U.S. will defend them; the question is simply of the best manner of doing so.

Indeed. Precisely in this area of choosing the best national security policies will other Americans urge that the matter of national determination is a major criterion. The forces the nation maintains and what it does with them, they will insist, should be consciously chosen so as to resolve doubts abroad about U.S. determination, the better to deter conflict. If debate on this issue should occur only during short-run crisis, then the risk of dangerous error would rise.

HOW CAN THE U.S. REDUCE THE RISKS OF NUCLEAR WAR? What can the U.S. do *now* to reduce the possibility of nuclear war? Have the ten years of SALT negotiations with the Soviets helped? Should the U.S. pursue such negotiations further? Should it build a stronger foundation from which to negotiate? Are the Soviets pushing for nuclear superiority, and should America? What may be the costs, both in money and in nuclear risk?

As to the Russians, out of mutual experience with nuclear pressures some sophisticated prudence seems to have developed on both sides. A hotline exists. The gross disproportions between political objectives and nuclear devastation are now mutually (but no doubt somewhat differently) recognized, as are the limitless uncertainties about escalation. During 30 contentious years of mutual nuclear capability, no nuclear weapon has been used. Still, with the Soviets at nuclear parity or beyond, can the U.S. be confident that their abstention will continue?

Perhaps a nastier problem may be that of nuclear weapons in hands less experienced with nuclear threats. Four other nations have already tested nuclear weapons: Britain, France, China, and India. Many others could: Japan, Germany, Israel, Australia, South Africa, and so on. What if Arab or other terrorists acquired a nuclear weapon? Will prudence and humaneness necessarily govern the handling of such weapons by all these others? What effect would their use have upon increasing the risk of U.S.-Soviet nuclear exchange? Does all this suggest that the U.S. should do less toward dampening conflict and tensions abroad, or more? What freedom of action must the people and the Congress therefore leave to the Executive?

These questions affecting the nuclear hazard are deadly serious. They must be continuously addressed, in isolation from such distorting pressures as factional politics, placard-waving demonstrators, and lobbyists. The survival of the nation is directly at stake.

CRIMINAL JUSTICE

From the simple intent to "establish justice" which the Preamble to the Constitution expresses, many systems derived, and that for criminal justice was only one among them. Most Americans were affected far more often, if less dramatically, by the civil law system. Within the structure of American justice were

such specialized elements as tax law, admiralty law, probate law, corporation law, and military law. There were several types and levels of federal courts and a great variety of courts at state and lower levels. Under the broad umbrella of administrative law, thousands of quasi-judicial tribunals existed whose functions seemed to blend imperceptibly from regulation to enforcement.

In all these elements, America has sought to have its affairs governed by laws rather than by the unguided discretion of men. The ideal goal of equal fairness for every citizen was not ultimately attainable, since laws were not self-executing and few real-life outcomes ever satisfied all parties equally. Yet, if all Americans were to have shared confidence in how they were governed, it was essential to pursue that goal unceasingly.

Because the pursuit went on amid incessant change, the justice systems had to adapt continuously to contemporary circumstances. Both the laws and the mechanisms for applying them had to respond to technology, social development, population shifts, and events. At the same time, however, these systems remained deeply rooted in old English principles, deriving via the Magna Carta and the common law, which create expectations about fairness and about how the citizen relates to a far from omnipotent state. Ancient standards of justice have been greatly reenforced and elaborated by the bill of rights and the 14th Amendment to the Constitution of the United States, as interpreted by the Courts. Roland Egger has called the contributions of the Warren Court to this process one of the five authentic social revolutions in American history. (You will read his essay in the volume edited by Mosher, *American Public Administration: Past, Present and Future* assigned in Sequence 9.)

What was especially important for public administrators in the legislative and judicial elaboration of private rights was the effect upon government, and it was great. The justice system affected how Americans were governed and by whom. It had crucial impact upon individual faith in government. People judged for themselves whether justice applied impartially to each, whether all people were held equally accountable for conforming to the law. If large numbers were to lack confidence that, allowing for human error, the system treated them fairly, would government be able to function?

Attention is here focused upon criminal justice not because problems were lacking elsewhere in American justice. In fact,

there were many. Americans were a very litigious people. Some said that there were far too many laws and lawyers. Certainly the '50s, '60s and '70s witnessed a surge of legal action on behalf of many who had previously not found access to it. Who would doubt that on balance this surge had yielded more good than bad, if only because of the social and economic injustices it had so far set right? But the civil dockets in most courts were extremely long, and other problems abounded as well.

Nevertheless, the fear of violent crime was the leading concern of the American people from the mid-1960's to the late 1970's, and even in 1980 only such vital matters as inflation and unemployment were above it on poll after poll. Because the American people were so alarmed about crime, their political leaders had responded, and terms like "law and order" and "crime in the streets" appeared regularly in political discourse. There was legislation at state and federal levels, with by far the most important being the federal government's Safe Streets Act of 1968, several times thereafter amended. It had created the Law Enforcement Assistance Administration (LEAA) and had begun the practice of furnishing federal money to states for anti-crime activity. The oft-reorganized LEAA was to be restructured again in 1980, but the federal government's concern with "crime" continued.

The 1968 reform effort was not the first address to the criminal justice problem, any more than it will be the last. Three presidential commissions made major national studies and recommended reforms. These were the Wickersham Commission in 1931 (National Commission on Law Observance and Enforcement), the Katzenbach Commission in 1967 (President's Commission on Law Enforcement and the Administration of Justice), and the Peterson Commission in 1973 (National Advisory Commission on Criminal Justice Standards and Goals). The last of these was oriented toward specific remedial action; it developed standards and goals for states and localities to consider. The states thereupon made major efforts to develop their standards and goals, and much reform activity has been and will be derived from these. It is reasonable to expect at least one more nationwide evaluation during the 1980s.

But the LEAA program was not only the first nationally funded major effort against crime but was also the envelope within which activity at all levels of government proceeded. The states of course have primary responsibility for criminal justice, and nearly

all the activity is carried out either at state or local levels; very little is federal. Similarly, very little of the expenditure within a state on criminal justice—about 3 to 5 percent during the late 1970s—was federal money. Yet that federal money was highly significant, since it was money available for innovation. The great bulk of state and local funding necessarily went toward such relatively fixed costs as police pay and court and prison operation. Moreover, the LEAA created a criminal justice infrastructure which got research done, stimulated dissemination of knowledge, and encouraged mutual cooperation within the system.

During its brief existence, LEAA had attracted much criticism. Because it was national and visible, when crime did not vanish despite LEAA's work, some people accused it of having failed. More realistically, there indeed were some vulnerabilities, such as massive, fitfully changing regulations and guidelines. Congress had legislated minutely what LEAA must administer, and no President had yet lent it the weight of his active support. In any case, however well or poorly LEAA had functioned as an agency, it would have been grossly unfair to blame it for not stamping out crime. The domestic police power is exercised at municipal and county levels. The criminal laws are nearly all state laws, and the courts which try violations are established by the states. The jails are generally county, and the prisons are state institutions. The leverage the federal agency could have with all these was really rather limited. Underneath all of these efforts there are some basic intractabilities about crime and such elemental ignorance of the causes of crime that the slow progress in reducing crime must be recognized as inevitable.

Nevertheless, it is to the LEAA program that perhaps the most significant advance in criminal justice must be credited. In 1968, few people appreciated that the police, the courts, and corrections, plus some others, were so interdependent as to really constitute a single criminal justice system. Since then, however, the legislation, the money, and the way LEAA operated brought a high percentage of criminal justice leaders in each state to a recognition of how their responsibilities and activities interacted with and affected those of other such leaders. LEAA programs had brought people together, induced them to communicate, and stimulated degrees of coordination unknown a decade ago but highly beneficial to the public interest.

These autonomous criminal justice leaders had come under intense pressures created by overloads — the soaring crime rate was the source of everyone's difficulty — and because their own resources were so strained, no one gave thought to helping others in the criminal justice field. Then LEAA gathered groups together so that police chiefs could see prosecutors' problems, and judges could grasp wardens' problems, and so on, while officials at state levels could better understand the needs and capabilities at local levels, and vice versa. A way was provided for the system to draw closer together in some sort of cooperative coordination. Each leader presently saw ways he could be helped by and could help others, gaining a large return from a modest investment. Slowly — and with a long way yet to go — the system began to work as a system.

LEAA's achievement was through state and substate planning activity. The 1968 law required, as precondition for federal funds, that each state create a State Planning Agency (SPA) under the governor. As its governing board, the SPA was to have a council with people from all levels of government and all components in criminal justice. Every state promptly did so, and began doing some approximation of the "comprehensive planning" required. While the full-time planners were struggling with that part, the people on the council (and corresponding groups at substate levels) were learning in detail about other criminal justice activities besides their own. They were creating networks of communication, establishing broader-based support, and edging steadily toward appreciation of the system-wide view — with its need for priorities, for coordination, for analysis of alternatives.

Each state, of course, followed its own path, and their individual experiences and results were therefore unique. Some — such as Virginia, California, and Michigan — progressed far toward real coordination, even though the autonomy of, for example, local sheriffs and county courts, which is so fundamental to our governmental system, also made coordination hard to achieve. Some states are in earlier stages but progressing in worthwhile directions. The distinctive personalities of each state ensured distinctiveness also in the modes of, say, doing coordinated planning for long-term needs for corrections facilities. Even so, in every state, more coordination was seen in the criminal justice picture than there was formerly. This is beneficial and promising, and it has been stimu-

lated by federal leadership and nourished through the LEAA programs.

Some critics say that of the two chief objectives of criminal justice reform, crime reduction and system improvement, the LEAA program had achieved results only in system improvement, whereas crime reduction is the one which the public wanted and needed. Other observers hold that whether or not some reduction occurred, improving the system was itself worthy, not least because it increased the respect for law, yielded better treatment of victims and witnesses, and made more effective and economical use of public funds. The fact remained that crime rates continued to rise.

CRIMINAL JUSTICE PROBLEMS

Having noted that reform is under way, some of the existing problems will be considered. The list below is only representative and is by no means offered as complete or necessarily comprising the most urgent problems.

DIFFUSION In the United States, responsibility for **OF RESPONSIBILITY** criminal justice is bewilderingly diffuse. The states possess most responsibility in the first instance, and have transmitted varying shares of power to lower levels. In general, most police power is at city level, prosecutors generally function at county level, courts are mostly county and state, jails are county or sometimes city, and prisons are state-operated. But the exceptions and special cases are many, and as demographic and socioeconomic changes occur, jurisdictions are sometimes shifted. There are more than 40,000 public agencies in the criminal justice "system", and the bulk of them are essentially autonomous. Many of the leaders are themselves elected officials — sheriffs, district attorneys, many judges, most state attorneys general — and feel responsive to the people, not to the county commission or the governor. Most others report to elected local officials, whose autonomy is well known. Judicial independence is central to the American democratic system. Most Americans, for that matter, seem to feel that local control of police is also. These separations of powers bolster the peoples' liberties, but they also fragment the responsibility for domestic security and make integrated functioning extremely hard to achieve.

INEFFECTIVENESS OF ANTI-CRIME PROGRAMS Even after more than ten years of intensified attention and expenditure, plus much hard work by conscientious people, the rates of violent crime have generally continued to rise. Here and there the pace may slow, but improvements seem few and deteriorations many. Recidivism has seemed impervious to everything but age, for offenders under forty offend again, whether or not exposed to "rehabilitative" programs. While more people went to prisons, crime still increased. Now and then, excited claims are made for great success in some new technique of probation or police patrol, but closer attention has to date deflated these claims and simply lengthened the list of what is known not to work.

LIMITED COMPREHENSION What will work to reduce crime remains unknown. Changes are proposed with little developed, objective backing, since the research and test data do not exist in the criminal justice field to show that a given measure will likely produce a certain set of results. The processes are simply not yet well understood. Part of the trouble is the difficulty in identifying key variables when studying human behavior, for cause-and-effect relationships remain obscure. The root of the problem, however, is that little research had been undertaken until the last few years—perhaps partly because the field had not been attractive to research-oriented social scientists, and partly because practitioners had not discovered the value of energetic R and D. These two points are highly significant, and various LEAA programs have been aimed at meeting them. A further obstacle has been the fragmentation of the criminal justice system has hampered evaluating the results of routine operations. To match up data systems which were devised separately, for example, is difficult. Consequently, it has been ingenuity, intuition, and faith which lay behind most proposals for change, rather than research. A great deal of energy and resources is now going toward practical research, however. Norval Morris said in mid-1979* that, in another five or ten years, we will earn substantial payoffs from this research. In the meantime, however, cases must be handled and programs decided.

**Speaking to an LEAA-sponsored Conference on the State of The Art in Crime Control, held in Arlington, Virginia.*

MANPOWER Throughout the criminal justice system, one **DIFFICULTIES** sees some splendid people, but also some serious inadequacies in manpower quality, quantity, training, and sometimes motivation. During the first decade of reform, federal and state programs have aimed to rectify these by such improvements as better selection, pay raises, and especially training and education. The police area shows remarkable improvement in some localities and probably at least some improvement everywhere. Of course, the police, being highly visible, disciplined, and sustained by group cohesion, ought to respond to directed change. But the police officer tends toward the status quo, experiences daily the diversity of real life, and hence skeptically views the untried theory. So reform is incomplete, and still meets obstacles.

In the courts, one sees wide variations in skill and attitude. Invoking judicial independence, some judges (mainly at county levels) resist such management improvements as the use of court administrators and standardized data handling. Many trial lawyers, according to the U.S. chief justice and others, are not fully competent at courtroom techniques, and so a wave of remedial training is under way.

The jails and prisons show the widest gap between the desirable personnel situation and the actual. Low pay, low status, and an atmosphere often of dehumanized degradation do not naturally attract uniformly splendid recruits. Until recently, corrections people often felt unsupported, had low states of training, and were given skimpy budgets, but improvement in these areas is generally underway. The cultural gap is a special difficulty, however, with many inmates, but too few correctional officers, being urban minority members.

The potential benefits from achieving in courts and corrections a degree of manpower improvement comparable to that in the police area seem to be many. These two areas have longer contact with offenders and more opportunity to shift offenders away from crime. Moreover, many of the new or improved programs in both will require additional people of greater potential with better training. At this point it seems inevitable that some new programs will fail and be discarded, not because they lack merit, but simply because they were not manned suitably.

POLICE When criminal justice reform began, both the **IMPROVEMENT** perceived difficulties and the visible opportunities were in the police area. The thought was that since police handle crime, an increase in crime called for reinforcing the police. Moreover, the rationally organized police forces could react promptly when provided new resources and could begin the improvement process without delay. In the early years, consequently, police got strong priority from federal, state, and local governments. As experience and understanding accumulated, however, it became clear both that courts and corrections needed much more attention, and that a system-wide view should govern priorities. Of great significance is the fact that at LEAA's Mid-1979 Conference* for senior criminal justice leadership of all states, the police were scarcely mentioned, and all sessions were devoted to other areas.

Actually, many problems remain in the police area, but much experimentation and analysis are also under way. Few of the thousands of small police forces (under ten officers) have been consolidated, but some common-servicing occurs. Although minority representation on police forces is generally insufficient, many forces sustain strong minority-recruiting efforts and inch ahead. Community relations remains a troubled area, but many cities are progressing well. Training programs, certification standards, and communications capabilities are generally much better. Techniques for such activities as patrol, crisis intervention, and evidence handling have been the subjects of much experimentation and development. Results are widely disseminated, so that police organizations can more easily stay abreast of the state of the art.

COURT Each state has created, over the years, its own **IMPROVEMENT** distinctive system(s) of courts. All are separate and independent from the rest of government, except that the money comes from legislative bodies, and such basic conditions as structure, size, pay scales, and tenure are fixed by legislative and executive action. Hence, the judiciary can recommend but not decide whether, for example, all courts should be state courts or whether some should be county and city ones. The recent trend has been toward consolidating courts into one state system, but sometimes the central management is loosely applied.

*See previous footnote.

A stronger trend is the introduction of "court administrators" to relieve judges of managerial duties. Although often resisted initially, especially at county levels, these administrators usually come to be viewed as great assets.

Courts have not yet achieved, in most instances, records and data systems which are rational, uniform, and usable by the criminal justice system as a whole. Judges vary in willingness to adapt, and some assert that data management threatens judicial independence. The variety of data systems remains troublesomely great.

Dockets are still crowded almost everywhere. While many states have reduced delays to the point that cases come to trial routinely within sixty days, in some others trials are not promptly held. Plea bargaining remains usual, occurring in from 65 to 85 percent of felony cases.

Judges sentence convicted offenders, but do so in conformity with laws which govern sentencing. A major trend is under way in many states, usually led by legislators rather than judges, changing these laws away from indeterminate to determinate terms. Lying behind this is not only a growing attitude of "lock'-em'-up-and-throw-away-the-key," but also the virtual abandonment of the belief that prisons can rehabilitate inmates. The indeterminate sentencing concept was linked with the rehabilitation concept. The idea was that the judge would set the minimum and maximum terms far apart, which let the warden and the parole board key the inmate's release to his progress in the rehabilitation process. Lately, however, many legislatures have begun enacting more specific penalties; a statute might set, for example, three to five years as the penalty for an offense formerly punishable by one year to life. Many judges are sensitive about having their discretion thus constricted, and some evasive maneuvering by them is predictable.

CORRECTIONS IMPROVEMENT Such a shift to determinate sentencing will have definite impact on prison population numbers, even though legislators do not customarily check with corrections officials before voting. The shift is one reflection of new emphasis upon the concept that the purpose of corrections should be simply punishment, or perhaps punishment plus protection of the public. (A fourth possible purpose of corrections—besides rehabilitation, punishment, and protecting the public—is deterrence, but its

CRIMINAL JUSTICE ISSUES

None of the above problems seem likely to vanish, but effective attack on issues such as those below could improve matters.

HOW BEST TO MANAGE REFORM Is there a better way to manage a sustained effort to improve the criminal justice situation in the U.S.? The great difficulty is, of course, that no one is really in charge of criminal justice. It is a state and not a federal responsibility. But at state level, the governor controls little indeed of the criminal justice apparatus, for autonomy is widespread. The courts are independent; most police belong to local government; the sheriffs (who control most jails) and the prosecutors are individually elected; and there may even be independent effectiveness is hard to demonstrate.) Some other reflections are stiffer penalties, having various therapies be optional instead of required, and flat-time sentencing. The latter amounts to a specific formula which computes exactly when an inmate will be released, with no leeway for parole boards or others to modify it.

The most serious of many problems in corrections is currently prison overcrowding. To contain from 150 to 200 percent of design capacity is usual for prisons today. Part of the difficulty is the expectation until about five years ago that prison populations would have declined by now; instead, they still rise. With some LEAA stimulation and some forceful intervention by federal courts, many states have begun to deal energetically with the requirement for facilities. Costs for new construction may be about \$50,000 to \$60,000 per inmate, however, and operating costs another \$10,000 to \$16,000 annually. The existing stock of facilities, moreover, is not such in many states as to be thought humane or safe.

Probation services, although sometimes operated by courts or by human resources organizations, are part of the corrections component. Some tendency exists to use probation proportionately more than before. In fact, the Peterson Commission had proposed it as the normal felony sentence, although that idea does not seem to have caught on. While most states have been working to upgrade the quality of probation services, caseloads are ordinarily far too high for effectiveness, and coordination with other services too insufficient.

commissions as well as the legislature competing with the governor for control over state prisons and state police.

The nation reacted to increased crime by creating a federal agency, LEAA, and equipping it not only with research and dissemination services but primarily with federal funds to grant to states. Federal legislation induced each state to have an SPA which LEAA encourages to take a system-wide view and which allocates most LEAA money within the state. Federal leverage has brought together, in state-level councils and substate boards, senior representatives of all the criminal justice components and all levels of government. They log-roll a great deal, but many of them also come gradually, to a broader comprehension of the overall criminal justice system of which their individual activities are a part. Thus they, as well as the SPA planners, can better perceive priority needs and deficiencies in the system.

One great shortcoming of all this is that the overwhelming bulk of criminal justice activity is funded by state and local legislative bodies, which are not automatically engaged in that process. Some states have drawn the legislature into close and fruitful contact with the process, but most have not. Some states have caused the SPA to overwatch (owing to the separation of powers, it cannot control) all criminal justice activity in the state, but others focus the SPA's attention on merely the federally funded portion.

Efforts are periodically made to eliminate or shrink LEAA, to pass federal funds directly to local governments, and otherwise to adjust the way federal leadership is applied.

IS VIOLENT At one point, some observers wondered if **CRIME SUBSIDING** the crime problem might not simply begin to fade away, carrying with it the public's willingness to support expensive programs far from fruition. In a notable October 1973 *Atlantic* article, updated in Wilson's *Thinking about Crime*, James Q. Wilson and Robert L. DuPont had suggested that the epidemic increase of crime could possibly be attributed primarily to the post-World War II baby boom. After that population bulge passed through the crime-prone fifteen to twenty-four age bracket, would crime rates fall? By 1980, it had now passed, and the rates may have stuttered a time or two but generally seem still rising. Charles Silberman, in *Criminal Violence, Criminal Justice*, suggests that the particular circumstances of the blacks, who are both the most frequent offenders and most frequent victims, are especially rele-

vant. He says, "What has happened in the last fifteen years, in good measure, is that the cultural devices that kept black violence under control have broken down, and that new cultural controls have not yet emerged." Also to be noted is that crime rates derive from crime reporting, which is done more fully now than before—except for murders, which show the same rising rates. As yet it is not clear whether crime rates are, one day, to decline at last, or whether there are powerful tendencies which will steadily bring more alienation, lawlessness, violence.

IS WHITE COLLAR CRIME TOO LITTLE NOTICED? To the newspapers and TV, violent crime is what seems to count. Many Americans are now wondering, however, if the rates of increase in white collar crime, much of it undetected, may not be greater. There have always been embezzlers, sticky-fingered sales clerks, and businesses operating outside the law. But the question now is whether with computerization and other new intricacies, in an atmosphere of changing social values, there may be far more economic crime than is visible. Quite apart from the matter of more vigorous pursuit of undetected crime is that of how discovered crimes are handled. Some flagrant cases of ingenious thieves entering computer systems to steal millions, or of businesses defrauding customers on a grand scale, have led to sentences milder than for a bank robber stealing a few thousand dollars. This raises questions of equity and public confidence.

WHAT SHOULD CORRECTIONS DO? Discontent with corrections as now practiced seems to be nearly universal. The Peterson Commission, judging confinement to be dehumanizing and bound to obstruct the integration of a released offender into a productive, peaceful relationship with society, had urged a ban on building any more large prisons. Instead, it held, probation and community-based corrections should be used extensively. But community resistance to these has been powerful, and meanwhile the numbers of convicted offenders still mount. Knowledge about the effects of corrections programs has been exceedingly rudimentary, and is only now beginning to approach usability as the results of LEAA-sponsored research begin to appear. It remains to be seen how the new understanding we soon may expect will interact with the shift of public and political attitudes away from the rehabilitative purpose of corrections and toward the purpose of punishment or just desert. In practical terms, large prisons are expensive, and most states now have overcrowded prisons.

INEQUITY Ideally, the judicial process and especially its **IN SENTENCING** climax in the courtroom should communicate to everyone a sense of fairness, so that each individual seeing it may be strengthened in a belief that the system is indeed just. But people convicted for similar offenses often get strikingly dissimilar sentences. Many are deeply antagonized by what they take to be the capriciousness of the court. Class and racial patterns seem to emerge. But judges and corrections officials have long insisted that automatic, uniform sentences fail to accommodate the great variations in offenses and offenders and would therefore be grossly unjust. Moreover, new research, such as Silberman reports in *Criminal Violence*, *Criminal Justice*, suggests there is far more consistency and equitableness in sentencing than is communicated. Both judicial groups and legislatures have been giving intense attention to the sentencing process. Among the reforms considered, in addition to determinate sentencing and flat sentencing, are sentencing guidelines, sentencing institutes and councils, appellate reviews of sentencing, and legislated rules about the factors to be considered and written explanations by the judge who weighed them.

DECRIMINALIZATION A number of offenses are being called victimless by some observers. Drunkenness, use (not sale) of marijuana, gambling, and prostitution are usually among them. Various proposals are made periodically to decriminalize some of these offenses, one reason being to cut down the workload of courts and corrections and, to a lesser degree of the police. Some of the resistance to such proposals is on the grounds that to do so would be offensive to public concepts of morality. Then there is a question of treatment alternatives to arrest. Ultimately these appear to be political questions, subject to attitudinal and demographic changes.

POLICE BEHAVIOR The police are highly visible to the public. Their activities, at least at the all-important individual level, are the least patterned of any in the criminal justice system. The police officer not only enforces the law but keeps order. As government's representative on the spot, he must cope with the frictions and tragedies of every day life. Necessarily, he has some discretionary authority — for example, whether to arrest or to warn. Often under pressure, he must decide swiftly, seldom with full information.

Yet the way the police officer decides, acts, and speaks will reflect, particularly for people in lower socioeconomic strata, the presence and the capability for service or for repression of all levels of government. To perhaps most Americans, the police officer is government, for it is he whom they see, he who obliges their conformance to the law. His manner, therefore, has much potential influence on the attitudes people have toward government. Whether a citizen regards it as his government or theirs is affected by police behavior.

There is wide diversity in how various Americans regard the local police. The stereotype is of the well-off suburban whites, who see the police officer as a helpful friend, by contrast with the poverty-level urban blacks, who see him as a hostile bully, even enemy. As the readings suggest, the actuality is far more complicated. But many localities do sometimes have tense relationships between police and minority groups. Efforts to improve mutual understanding are frequent and of mixed success. The same seems true of the identification and correction of racist practices within some police forces. Reform is under way but incomplete. And it seems vitally important.

SECURITY AS THE FOUNDATION OF GOVERNMENT

Laws are not self-enforcing. Perhaps in most modern societies, most people will ordinarily obey most laws simply because they feel it right to do so. But for extraordinary circumstances and for the less scrupulous, in order to achieve consistent obedience, some motivation must be supplied. Hence, governments use some system of reward and punishment, but the recent as well as the historical experience of mankind assure us that still more is needed. A government, in order to protect its own people from each other, must therefore apply coercive force. It may be sad, but it is so.

In America, we see this coercive force as the criminal justice system with police officers as the visible manifestation.

Any experienced police leader, however, will attest that police resources at best can deal with only modest quantities of disorder beyond the day-to-day routine. When a greater disturbance occurs—a flood, a tornado, a significant riot—local police are too few and

must get help. Reinforcements from nearby police, sheriff's departments, and state police can extend their capability only modestly and briefly. Hence, in such situations, the state governor will often call upon his military force, the army National Guard. While most people perceive the National Guard as a federal force, they really are not federal except in very unusual circumstances, such as declared wars. What they are is state militia, ordinary citizens with regular jobs who are also part-time soldiers, ready to become full time at the governor's command.

When a governor calls some or all of his state militia to active duty to cope with a flood or riot, they are used in aid of the civil authority; martial law and other supercessions of the civil authority are very seldom needed. Such is the American military ethos that these soldiers (and the regulars too) take special pride in the rapidity with which they can show the civil authority a situation of restored order and can fade from the scene.

Two things here are unique to America. One is that the military have never undertaken to usurp political control. Civil control of the military is an enduring fact, and military control of the government is simply not a possibility, let alone a threat. Elsewhere in the world it happens, but not here. The second unique feature is that the principal military foundation of civil government is militia-controlled below the national government level. Elsewhere, the rescue of civil authority in storm or riot is by the national government's troops.

In 1967-68 many American cities experienced civil disturbances so large and violent that National Guard and active army troops had to be used to restore order. Perhaps all such mass disorder may be behind us, but it is possible that the worst is yet to come. There may be some unpredictable combination of energy restrictions, economic distress, urban discontent, political terrorism, mistrust of authority, feverish self-interest, and other factors which could push large numbers of Americans above the riot flashpoint. In some particular circumstances, adversity could also cause Americans to unite, but it is sobering to recall public behavior in the 1979 gasoline lines.

If the U.S. should face new levels of civil turmoil, which is not inconceivable during the 1980s and 1990s, not only the security forces but even government itself would be sorely stressed. For if civil government, using its police resources and aid from the military, cannot swiftly restore order, anarchy results. The strongest

and the cruelest then would exert power over others, without accountability. As history shows, populations will not long tolerate such anarchy but will sooner cede their freedoms to new, more repressive government.

If U.S. national security prospects were altogether bright, large scale domestic disorder would be less likely. But economic interdependence generally and U.S. dependence on foreign oil more particularly have expanded America's vulnerability. Meanwhile the Soviet Union has been investing heavily in military power and the capability to project it. Some strategists are worried that the USSR, either despite or perhaps because of a generational change in leadership and serious domestic problems, might try dangerously to exploit that strength. The threat these strategists perceive is not direct attack but Soviet political action which uses military power as its fulcrum and aims at seriously harming American allies or the alliance relationship itself. Even if armed conflict is avoided, these strategists say, the economic as well as political consequences for the U.S. would be painful. If they are sufficiently so, these economic consequences could cause domestic effects leading to civil disorder, possibly to repression.

To assure the continuation of American freedoms, therefore, the nation's first priority concern must be effective security, provided through the criminal justice system, the national armed forces, and the National Guard, which links them.

The prospects for America's future need not be as ominous as these last paragraphs suggest. The nation has successfully faced great threats before. It is resilient and, in the past, has been responsive to national leadership. Because the underlying situation is not weakness but great potential strength, if the American people coalesce they can develop and use that strength calmly, to remain secure and free. But this is no automatic process. It requires conscious policies pursued with determination and some national self-discipline. The nature of these policies will be intensively debated during the early 1980s.

Commentary Assignment

[The standard assignment for Sequence 2.1 follows. Please note that it is subject to change by the preceptor, who may modify, amend, or revise it. In that event you will receive the new assignment through the Cluster director.]

Each Nova participant is expected to submit in advance of seminar discussion a 10- 15-page commentary dealing with *three* of the following four topics:

1. Explain broadly the kind of system you believe should be used to bring people into the U.S. armed forces, and the reasons why you prefer that system.
2. Discuss the consequences and implications of Congress' increased assertiveness in the national security field during the 1970s.
3. Discuss the criminal justice issue you believe deserves first priority attention in your community or state, explaining why it does.
4. Discuss some advantages and disadvantages of community-based corrections, compared with incarcerating offenders in large remote institutions.

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Wilson, James Q., Thinking about Crime, (NY: Random House, 1975).

Supplementary Reading

For further reading in the national security field, one can find abundant material in the average public library; even small colleges are likely to have reasonable collections of specialized material. The preeminent periodical is *Foreign Affairs*, published quarterly by the Council on Foreign Relations. Virtually every public library has it. Besides containing much authoritative or scholarly coverage of current and future problems, it also includes bibliographical assessments of the more significant recent books in the international field. In recent years it has paid close attention to international economic matters, but aside from questions of nuclear deterrence it devotes relatively little attention to strategic and defense policy matters. To these topics the quarterly *Foreign Policy* does give more space. It is also deliberately sprightlier, more open to the untested idea and to the younger writer. During its first decade it has already earned high standing by the quality of its often provocative treatments. But military policy matters have more recently come to be covered with greater thoroughness, although in somewhat more academic fashion, by the quarterly *International Security*. In addition, there are dozens of specialized periodicals, some oriented toward practitioners and others toward scholars. Most have carved out a particular segment of the field to deal with, as their titles usually indicate: *Middle East Journal*, *Army*, *Asian Survey*, *Air University Quarterly Review*.

Books of high quality published each year in the national security field number several hundred in English alone. Besides the short descriptions of most of them in *Foreign Affairs*, brief reviews of a lesser number can be found in the bimonthly *Annals of the American Academy of Political and Social Science*. As a national review, the *Wilson Quarterly* undertakes broad coverage, always includes some national security material. Besides offering some highly discriminating book selections, it also routinely digests a number of articles from a wide range of sources.

Most journalism in the national security field is decidedly undistinguished, usually playing up the sensational and applying a snapshot approach. Curiously enough, the weekly *New Yorker* occasionally has highly perceptive articles with admirable perspective, but it does not pretend to more than intermittent coverage. Much the soundest journalistic coverage appears in the *British Economist* which, despite its name, is a newsweekly but

one written with comprehension, and an appreciation of interactions, which its U.S. counterparts have not yet achieved.

The criminal justice literature is far less developed and is also highly uneven in quality and coverage. Only for a decade have any significant numbers of skilled people been researching and writing in this field. Moreover, the concept of criminal justice as one system is relatively new; the tendency persists for practitioners to see themselves only as part of corrections, or courts, or law enforcement. As yet no periodicals have approached the stature of a *Foreign Policy*, let alone *Foreign Affairs*. But many periodicals do cover aspects of criminal justice. Among them are the *Journal of Criminal Justice*, *Law and Society Review*, the *Police Chief*, the *American Journal of Corrections*, and a number of university law reviews. But the coverage of issues, as distinct from technical questions, is perhaps broader, if more scattered, in the nonspecialized literature; dozens of periodicals—*Public Interest*, *Harper's*, and the *New York Times Magazine*, for example—from time to time publish articles in the field. *Ebony* devoted its entire August 1979 issue to the problem of crime in the black community.

As to books, Charles E. Silberman's *Criminal Violence*, *Criminal Justice* (NY: Random House, 1978) not only covers the field and recent research more thoroughly than others to date, but also contains a useful bibliography. James Q. Wilson's *Thinking About Crime* (NY: Basic Books, 1975), however, treats the basic issues with perhaps greater clarity and balanced breadth. While the quantity of books, monographs, and reports produced annually remains well short of that in the national security field, it has lately been growing; more importantly, the quality is also improving.

One of the main functions of LEAA is to develop and disseminate new knowledge and understanding in the criminal justice field. Toward that end it operates a National Criminal Justice Reference Service (NCJRS), which publishes bibliographical material and otherwise assists research. Visitors will find NCJRS at 1015 20th Street NW, Suite 400, in Washington; its mailing address is NCJRS, Box 6000, Rockville, Maryland 20850.

UNIT 2

ECONOMIC POLICY, ENERGY, AND THE ENVIRONMENT

Herbert C. Morton

The three topics of economic policy, energy, and the environment are much more closely related than might seem apparent at first glance, and perhaps the best way to appreciate their interdependence is to put them in historical perspective. Since all are policy issues that have become important comparatively recently, the span of history is less than a half century.

I. HISTORICAL OVERVIEW

Employment and Stabilization Policies

The growing understanding that government has a continuing and major role to play in the operation of the American economy was officially and formally recognized after World War II when memories of the Depression of the 1930s were still fresh. The national government had imposed rationing, price controls, and other emergency regulations during wartime emergencies even before World War II, and during the 1930s it had intervened in the

economy to build public works and provide jobs on an unprecedented scale. But historically, it had acted more out of desperation than from any clear understanding of how the economy works. The uniqueness of the Employment Act of 1946 is that it reflected a national consensus and that it spelled out for the first time and established a federal commitment to the maintenance of a high level of economic activity on a continuing basis and not just in an emergency:

The Congress declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and state and local government to coordinate and utilize all its plans, functions and resources for the purposes of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power. (60 Stat. 33, Sec. 2, 1946)

Less formally, the nation's major economic goals were widely described as jobs for all who wanted to work in a growing economy that would provide for a rising level of living. Later, as a result of postwar inflation and another burst of price increase during the Korean War, greater emphasis began to be given to the goal of price stability implied by the act's concern for purchasing power.

The Employment Act of 1946 reflected not only a determination to avoid future depressions but also the belief among some policy makers and their advisers that tools were finally available to make governmental intervention a constructive force. The acceptance of this governmental role was linked to a theoretical explanation of how the economy functions, and to the growing availability of statistical data that could provide the basis for policy decisions. Disagreements persisted on specific policy objectives, on the effectiveness of alternative policy instruments, and on the amount of reliance that could be placed on market forces, but there was nonetheless a broad consensus on the analytical framework.

The framework utilizes a broad set of tools that were fashioned largely out of the theories of John Maynard Keynes, whose influential book of 1936, *The General Theory of Employment, Interest, and Money*, revolutionized the thinking of most economists, the teaching of economics, and the application of economic ideas to policy making. (For a readable introduction to Keynes's intellectual contributions, see *The Worldly Philosophers* by Robert L. Heilbroner; Herbert Stein assigns Keynes a smaller role in his study *The Fiscal Revolution in America*.) For purposes of this discussion, the essential point is that Keynes demonstrated that the economy may not be self-adjusting, as traditional economic theory had long insisted, but that it could settle into an equilibrium at a level of activity far below its potential, with unused capacity and high rate of unemployment. This thesis provided a rationale for government intervention.

At the same time that the *General Theory* was gaining attention, the United States was making substantial progress in setting up its system of national income accounts. These now provide periodic reports on the *gross national product* (GNP), (which is the total value of goods and services the economy produces), and other measures such as national income, (which is the product left over after an allowance has been made for (a) the capital equipment that has been used up, and (b) for manufacturers' sales and excise taxes that are added to the price of the product before it is sold). For a description of the national income accounts, see a standard text such as Paul Samuelson's *Economics*, Chapter 10, "The National Income Accounts". The national income and product accounts are reported quarterly in the government periodical *Survey of Current Business*, making it possible to keep score on the economy's performance. The analysis of changes in these accounts, using primarily Keynesian tools, is an essential ingredient of policy recommendations.

Other governmental statistics were greatly improved during the 1930s and 1940s — the surveys of employment and unemployment and the price indexes issued by the Bureau of Labor Statistics. It is surprising to recall that unemployment figures during the 1930s were rough estimates based on very fragmentary evidence. Not until after World War II did the government establish the monthly current population survey covering some 50,000 households, which is the basis for the familiar and statistically sophisticated monthly reports on employment and unemployment. (For

further information on these and other statistics on productivity, earnings, strike activities, and so on, see the biennial BLS *Handbook of Labor Statistics* and the BLS *Handbook of Methods*, which explain how these data are gathered and their reliability.

Complementing the development of new economic tools and better statistics was a technological breakthrough—the development of high-speed computers, which made possible the rapid manipulation of vast quantities of data.

A new era of macroeconomics had dawned—the product of a new theoretical apparatus, an enlarged, more developed body of statistics to help guide policy making, and a growing consensus on the role of government in the economy symbolized by the Employment Act of 1946. And this took place only some three decades ago.

Environmental Policy

For at least fifteen years after the role of macroeconomic policy became accepted, questions of environmental policy were being considered only by a very few economists and policy makers, supported in some areas by conservationists, who had long been concerned with soil erosion, degradations of forests, and despoiling of scenic treasures. Most policy makers did not view the environment as a distinct area for public concern. In 1960, for example, the report on *Goals for Americans* prepared by a group of distinguished citizens for President Eisenhower, took no notice of the environmental problem. Rachel Carson's *Silent Spring* (1966) alerted the reading public to the dangers of indiscriminate use of chemicals, but strong opposition blunted any moves toward a major policy change. In 1968, the Brookings Institution published *Agenda for the Nation*, a far-reaching discussion of issues that would confront the next president. Each chapter was devoted to a major problem facing the incoming administration. But of the 18 chapters, not one was devoted to environmental policy, though by 1968 environmental concerns were being widely discussed and the beginnings of a federal policy were in the making. Within two years, the National Environmental Protection Act, enacted 1970, marked the beginning of a broad federal approach to environmental policy (though there had been piecemeal bits of legislation related to environmental concerns, particularly air and water pollution). It was followed by the Air Quality Amendments of 1970, the Water

Pollution Control Amendments of 1972, and other legislation, including more recently, the Toxic Substances Control Act of 1976. Collectively, these stamp the 1970s as the environmental policy decade.

Energy Policy

As a major focus of national concern, energy policy is even of more recent vintage, though the specter of depletion of natural resources, including fossil fuels, has been lurking around since the early nineteenth century with the Malthusian warning of the tendency of population to grow at a geometric rate, and thus to outrun the world's supply of resources. World War II and the Korean War, which were enormous drains on the world's stock of fossil fuel and minerals, triggered another round of concern with a natural resources policy. It led to the appointment of the President's Commission on Materials Policy (the so-called Paley Commission) and its impressive assessment, *Resources for Freedom*. Subsequently, in 1952 with support from the Ford Foundation, a research center, Resources for the Future, was established in Washington to study resource policy, including energy policy on a continuing basis. The notion that there was a major energy issue for policy makers to consider didn't strike home to the public, however, until the embargo imposed in the fall of 1973 by the Organization of Petroleum Exporting Countries (OPEC). The long lines at gas stations, the quadrupling of the price of crude petroleum, and growing concern about the economic costs and the physical hazards of nuclear power—all suddenly made energy front-page news. Although the crisis of 1973-74 appeared short-lived to the public, the underlying problems of supply and price were not, and a dual problem arose. Policy makers had to determine not only what policies the United States should adopt over the next few years to assure an adequate and secure source of energy at reasonable prices, but they discovered that they also had to determine how to persuade the public that energy is indeed a serious problems—a difficult task at a time when gasoline and other fuels appear to be plentiful. Although the era of cheap energy, which had been an essential ingredient of the country's enormous economic growth in the preceding half century or more, is over, nearly fifty percent of the public (according to a 1977 Gallup Poll) are not aware that the United States has to import oil to meet energy needs.

The New Challenge to Economic Policy

Both the pollution problem and the energy problem are serious in their own right. Dirty air, dirty water, wasteful exploitation of resources, erosion, toxic substances—all are hazards to health and affronts to aesthetic sensibilities. Higher energy costs pinch consumer budgets. Moreover, they impose higher costs on the auto industry and the petrochemical industry, among others, forcing changes in products and processes. But, more broadly, environmental concerns and energy shortages are indispensable aspects of the overall performance of the economy. Billions of dollars have already been spent for pollution control, and the expenditure of tens of billions more is mandated by law already on the books. The cost of achieving air and water quality standards is seen by some labor groups and businesses as a threat to jobs and to continued operation of plants. Billions of dollars flowing out of the country to the OPEC nations to pay for the increased costs of oil have been likened to the effects of a tax in draining funds out of the economy. Higher costs of energy and petroleum products could have widespread, disruptive effects on the economy.

Thus, by the mid 1970s the pursuit of the macroeconomic goal of full employment—which seemed like a fairly precise target after World War II—became a much more complicated problem. Within thirty years it became clear that the search for jobs and for economic growth must be tempered by concern for other goals—*jobs without creating inflation, jobs without degrading the environment, and jobs without exhausting limited supplies of oil and other resources*. Above all, it appeared that the nature of the economic problem is in constant flux: circumstances and goals change, and consequently policies to cope with these changes must be flexible. The purpose of this chapter is to explore these issues in more detail, to suggest the range of policy choices and the kinds of trade-offs that must be faced, to give some illustrations of how economists think about some of these matters, and to indicate the possibilities and limitations of policy making.

II. Issues in Macroeconomic Policy

The Tools

Government influences economic activity by the so-called automatic built-in stabilizers, by discretionary policies, and by economic controls.

The automatic stabilizers are, first, the federal corporate and personal income taxes. During periods of rising business activity, these taxes take an increasing proportion of money out of the economy, thus reducing the pace of expansion; during business slowdowns, they take out a smaller proportion, thus helping to cushion the economy from the full effects of the slowdown. Other automatic stabilizers include federal payments for unemployment insurance, which increase during a recession and decline in periods of high economic activity, and Social Security payments, which remain rather stable despite an increase or fall-off in economic activity. Such payments help sustain purchasing power and economic activity, and, like the changes in tax revenue, they go into effect automatically without the need for any congressional or executive action. Wilfred Lewis's study, *Federal Fiscal Policy in the Postwar Recessions*, showed that the automatic stabilizers helped substantially to offset the loss of income caused by the four economic downturns in the period between World War II and the Vietnam War.

Discretionary policies are of two types. One is *fiscal policy*—the use of the government's taxing and spending powers to maintain high employment and stable purchasing power. Generally, if the federal government increases its spending or reduces taxes, or both, it will stimulate economic activity. If it raises taxes or reduces its spending, it will curb economic activity. (For a fuller discussion of these generalizations see Samuelson or any other standard text.) But note one essential assumption which is implicit in the foregoing statements, and which is a significant qualification—that all other things remain equal (the economists' familiar qualification expressed in the Latin phrase, *ceteris paribus*).

A second instrument of discretionary policy is *monetary policy*, which refers to the leverage that the Federal Reserve Board can exert on the economy by changing the *rediscount rate* (the rate it charges Federal Reserve banks when they want to borrow from the central bank) by *open market operations* and by varying the amount of reserves that a bank must retain. (See Samuelson, and G. L. Bach, *Making Monetary and Fiscal Policy*.)

A third type of federal policy is the use of direct and indirect *controls*. Direct controls include rationing and price controls that are common in wartime, controls over installment borrowing that have been enacted at various times, and the 1971 freeze of wages

and prices (so-called Phase I) imposed by the Nixon administration. Indirect controls (which really are not controls in the formal sense) include (1) the so-called *moral suasion* that the Federal Reserve has used to encourage bankers to behave in ways it considered desirable and (2) wage and price guidelines. In 1962, for example, the Kennedy Administration announced the so-called guideposts policy. It suggested that wage increases should generally be held to 3.2 percent, approximately the rate at which productivity had been growing in the economy, on the premise that increases of that amount would not add to inflationary pressures. Proponents of the guideposts approach credited it with an important role in the maintenance of price stability during the 1962-65 period, but this view is not universally shared.¹

Effectiveness of Macro Policies

The relative effectiveness of fiscal and monetary policy during the first twenty-five years after World War II and the limitations of these policy tools are analyzed in Bach's book. In general, the lessons of the experience described in the book are still applicable. But it should be added that subsequent experience with macroeconomic policy has made economists less optimistic about the capacity of fiscal and monetary policy to keep the economy on a growth path while keeping prices under control. The pressure to meet the nation's defense needs in the late 1960s, while maintaining the expansion of peaceful economic activities, led to a competition for economic resources which caused higher prices.

In 1971 the government froze prices and devalued the dollar in an effort to slow down inflation, reduce unemployment, and reduce the balance-of-payments deficit. The next year was a good one: both unemployment and the inflation rate declined. Then the recession of 1974-75 ensued. It was exacerbated by the four-fold increase in oil prices, which also fed inflationary pressures, and for the first time the nation faced the two problems at the same time—rampant inflation and rising unemployment.

Such a combination confounded the traditional assumptions about macro economic policy. For years policy makers had assumed that they had a tradeoff to contend with. They could (1)

¹The government also has enacted a wide range of other economic regulations covering payment of minimum wages, airline rates, rules governing the trading in commodities, and so on, but these regulations lie outside the scope of this study since their major goal is not related to the level of economic activity.

stimulate the economy and reduce unemployment by tolerating slightly more inflation, or (2) keep prices stable and live with a little more unemployment. For about two decades a rate of unemployment of 4 percent was assumed to be consistent with a reasonably stable price level — that is, a price level that wouldn't rise more than 1 or 2 percent a year. If prices were rising at a faster rate, the level of economic activity could be cut by macroeconomic policy at the cost of a higher rate of unemployment. But a situation in which high unemployment *and* high rates of price increases coexisting created a different problem and kindled new debates among economists as well as among policy makers about what might be done.

The behavior of the economy in the mid-1970s was a humbling experience for believers in the efficacy of governmental intervention. Some of the best-known exponents of discretionary fiscal policy conceded that perhaps they had been overly optimistic about the possibilities of fiscal policy during the 1960s. They also acknowledged that a new problem was posed by the existence of inflation and unemployment at the same time.

What caused the persistence of inflation and high unemployment at the same time? Several contributing factors have been identified. One is the changing composition of the labor force. The bulge in the teen-age population — which resulted from the baby boom of the 1950s — greatly increased the proportion of persons in the labor force in age groups that traditionally have had high unemployment rates because they are untrained and are experimenting with different types of jobs. At the same time, the proportion of women who have entered the labor force (which increased from about 33 percent of working-age women in 1946 to about 46 percent in the mid-1970s) had a similar result.

Another contributing factor was the increasing rigidity of the economic system in resisting downward adjustments of both prices and wages. When economic activity slackened off, large corporations were able to hold the line on prices. Strong unions were often able, even in slack times, to obtain wage increases in excess of productivity gains.

Another factor was the impact of the OPEC oil embargo. The ensuing increase in oil prices not only increased the cost of transportation and heating, but also of petrochemicals and many other products that require petroleum in their production.

The experience of the mid-1970s caused a reassessment of the potentials of macroeconomic policy and more modesty in the claims of economists about how soon the United States economy might achieve a more tolerable level of unemployment (say, 5 percent instead of the 4 percent target that had prevailed). Most economists came to believe that the country will not achieve even a 5 percent unemployment rate before the mid-1980s. Still, the economic activists remained convinced that so long as the economy was operating at less than full capacity, and with unemployment running at 6 or 7 percent, there were grounds for pursuing discretionary policies to stimulate the economy. In short, there was less than full agreement and more uncertainty, even among the experts, as to what policies might be most effective in moving toward the more complex goals.

Employment Training Policies

During the 1950s and 1960s there was a running debate among economists over the best approach to reducing unemployment. One group stressed what it called the need to combat "structural unemployment" — unemployment (a) that was especially high in distressed areas, such as Appalachia, and in the central cities, as a result of changes in technology and the movement of industry; and (b) that arose because of the higher proportion of youths and untrained minority workers in the labor force. The other group argued that although there may be structural unemployment, it was not the major problem. The major problem was the weakness of aggregate demand. If the economy were growing rapidly enough, they argued, workers would move away from depressed areas of high employment, and youth and minority workers would be drawn into jobs.

Over a period of time, the polarization of views faded, and though economists still differ in the importance they attach to monetary and fiscal policy on the one hand, and structural policies, on the other, both approaches seem firmly established in government policy. The manpower programs established by the Labor Department in the early 1960s sought to provide for both work experience and training for youths and disadvantaged. These continue today under the (less sexist) title of employment training programs. At the same time, efforts have been made to advance opportunities for youth, women, and minority workers through programs to help distressed areas and to reduce discrimination in hiring and promotion.

III. Issues in Environmental Policy

National concern with environmental issues has proceeded on two levels. One has been the citizen level, exemplified by the conservation movement of the early Twentieth Century and the environmental movement of the 1960s and 1970s. The other has been the research and policymaking level, exemplified by efforts to assess benefits and costs of alternative strategies for improving the quality of the environment. The two levels are closely related, but since specific threats to the environment and citizen action are well covered in the press and are daily brought to public attention, the emphasis below is on some of the conceptual issues that underline efforts to cope with the special problems posed by the environment.

When Markets Fail

When markets do not work, the distinctive aspect of environmental policy can be illuminated by contrasting environmental goods—clean air, clean water, wilderness, and so on—with goods that are ordinarily exchanged in the market place.

Taking an economist's point of view, the competitive market provides the ideal way for determining what shall be produced, how goods and services will be produced, and how they will be distributed. It provides for the expression of individual preferences in jobs and in the choice of goods and services to buy. It gives producers incentives and flexibility in meeting the demand. Some markets work better than others, and, unfortunately, few work as well as the economists' models postulate. But, by and large, they work well enough in the United States to permit a predominantly free economy. Where they work badly, government has stepped in with regulations or with the direct provision of services.

Among crucial omissions from market transactions are the so-called common property resources, such as the air, rivers, oceans, and scenic wilderness areas. Most of these resources belong to all collectively; they are not readily divisible, and so they are shared. They do not enter into market transactions.

For a long time, they were commonly regarded as free goods. As long as there was enough for everyone—even though water and air were essential for life—their abundance meant they generally went unpriced. Further, so long as the population was too small to make heavy demands on the supply of air and water, natural processes easily took care of pollution arising from human habita-

tion and production. Thus industrial plants, for example, found it advantageous (less expensive) to discharge raw wastes into rivers rather than to treat them or to reprocess certain residuals. But it became readily apparent as the nation grew that the pollution of water upstream increasingly imposed costs downstream on those who need clean drinking water. Thus, one of the costs of production at the upstream plant — the cost of waste disposal — was essentially shifted to the consumer downstream. In the absence of the private "market," it became necessary to consider alternative ways to reduce the volume of pollution and to make sure that the polluters would be accountable for the full costs of their activities.

It was long customary for economists to consider these external costs, or externalities, as mere aberrations of an industrial society, and almost trivial compared to the costs reflected in market transactions. But with the increase in population and industrial output (which rose much faster than population) and with the introduction of synthetic products, it became apparent that waste products — or more broadly, residuals of the production process which includes both usable and unusable byproducts — are not mere incidentals. The quantities of particulates and gases given off in the combustion process, the volume of chemicals and wastes resulting from production, and the quantities of discarded used goods have become collectively enormous.

To those who had any acquaintance with the laws of physics, there is nothing surprising about this enormous problem of waste disposal. Minerals, air, and water are not used up in the production and consumption of goods. Only the services provided by these products are used, and although the products may change in form, they do not disappear. Portions that are not salvaged and reused show up in an increase in air pollution, water pollution, and in landfill dumps.

Thus the nature of waste and pollution problems is explained by laws of physics — the law of conservation of matter — and this physical law imposed itself on public attention because of the nature and growth of the modern economy, which overtaxed nature's capacity to maintain its prior hospitable conditions for man. Failure to cope with the problem satisfactorily has stemmed from the fact that so many of the costs associated with leftover production and consumption are not reflected in the market, on which there was past reliance for so many adjustments.

This is the economic rationale for government intervention.

Regulations vs. Incentives: the Legislative Record

By and large, two types of intervention have been considered by policy makers. One is the enactment of *standards*: either an effluent standard, or a limitation on how much of a particular pollutant can be discharged into water or the air, or an ambient standard, requiring that in a given area the water or air must be maintained at a certain quality. The other approach is the use of *incentives* to encourage polluters to alter their production processes or treat their effluents to minimize the destructive effects and to include these costs in the price of the product. The first governmental intervention relied entirely on the regulatory approach of standards, supplemented by subsidies for waste treatment; but in recent years shortcomings of the direct regulatory approach have led to an increasing interest in developing incentives that would require less policing and that might utilize market forces to help bring about compliance.

Some of the major legislative efforts to protect the environment are described below.

1. Several acts have been passed during the past thirty years to improve water quality, beginning with the Water Pollution Control Act of 1948 which gave the federal government authority to conduct research on the problem. The Act was amended in 1956 to provide federal grants for municipal water treatment plants. Further amendments in 1972 increased funds for municipal waste treatment plants and provided for federal effluent limits for different sources of pollution, including issuance of discharge permits for industrial and municipal plants that meet the standards. The Environmental Protection Agency (EPA) began issuing guidelines defining the pollution allowable for each industry after July 1977 (under the criterion of "the best practicable control technology") and a higher standard, "best available technology," to be achieved by 1983. Two-thirds of industrial dischargers and half of the municipalities met the 1977 standards and were issued permits. For the others, EPA tried to work out a flexible approach where there was evidence of a good-faith effort to meet the deadline. Provision also was made for exceptions, such as exemption of Ohio's Mahoning Valley steel plants from national standards because of EPA's fear that enforcement of the abate-

ment standards would cause "severe economic and employment disruption" in the valley.

- Studies of water quality over the past few years under this regulatory approach suggest that water quality has improved, but not as much or as fast as had been hoped. Noticeable progress has been made in controlling "point source" discharges (polluting by an identifiable plant), but little has been done to reduce "non-point source" discharges, or runoff from agricultural and urban land.
2. The 1955 Air Pollution Control Act started the federal government on the path of research into air pollution control problems. The Clean Air Act of 1963 added some enforcement powers. Power to set emission standards was established two years later in the Air Quality Act. The Clean Air Amendments of 1970 further strengthened federal controls over air pollution, providing for national ambient air quality standards and state implementation plans for compliance with the standards. Targets set for mid-1975 proved overly optimistic and were not met. Standards for auto emissions originally scheduled for the 1978 models were put off to 1980.
 3. Congress recognized the fact that disposal of solid wastes was not solely a local or regional problem and passed the Resources Recovery Act of 1970, which modified the Solid Waste Disposal Act of 1965. The act, amended in 1976, provides for planning grants, demonstration grants for resource recovery, and improved disposal facilities.
 4. In 1976 Congress enacted the Toxic Substances Control Act, which some observers regard as potentially the most significant act to date. Its purpose is primarily preventive. It requires that new chemicals be screened and tested before they are put on the market and that chemicals already on the market be tested if they are suspected of being hazardous to human health or the environment.
 5. Other legislation during this period included the Coastal Zone Management Act of 1972 and the Safe Drinking Water Act of 1974.

All of the 1970s legislation is in effect an outgrowth of broad environmental policy goals set forth in the National Environmental Policy Act (NEPA) signed in 1970, which provides for a Council on Environmental Quality to

monitor environmental change and to advise the president on environmental problems. NEPA also provides for the preparation of environmental impact statements by all federal agencies whenever any of their actions may have significant impact on the environment.

Although it is perhaps too early to assess the impact of this panoply of legislation, some persistent critics have been skeptical from the outset that much can be achieved by this regulatory approach. They point to the failure of other regulatory programs (in transportation particularly) drawing attention to the possibilities of delaying enforcement through court action, difficulties of setting standards and monitoring performance. They think the approach is ineffective and costly. Defenders of the legislation of the 1970s concede imperfections, but insist that the regulatory approach taken was the only feasible way to start an environmental protection program. Some support the efforts of the critics of regulation to introduce a system of charges and other incentives to supplement the regulations.

Rationale for Charges

The so-called "charges" approach stems from economic analysis. Schultze and Kneese point out in *Pollution, Prices, and Public Policy* a number of economic lessons that suggest the usefulness of economic incentives. These include:

1. The cost of removing additional units of pollutant from water or air keeps increasing. That is, if it costs a dime to remove the first pound of waste from water, it may cost a dollar to remove an additional pound after 80 or 90 percent of the pollution has been removed. "Depending upon the industry or pollutant, going from, say, 97 percent to 99 percent removal may cost as much as the entire effort of going from zero to 97 percent."²
2. Costs of removing pollutants vary greatly from industry to industry and place to place, and thus to improve the air or water quality in an area efficiently, control efforts should be concentrated on industries and areas where abatement efforts are cheapest.
3. Control measures vary in cost and effectiveness in various circumstances. These control measures include (a) changing production processes to reduce discharges; (b) treating

the pollutants before they are discharged, such as using scrubbers to cut down pollution from the burning of coal; and (c) diverting pollutants from one place to another or from one medium to another.

This economic approach suggests that a system with considerable flexibility is more likely to be cost-effective — that is, to maximize benefits per dollar of pollution control expenditures. They also make clear that there is an economic dimension to the pollution control problem: perfectly pure air or water, even if technically feasible, is not economically affordable.

IV. Issues in Energy Policy

Americans have been complacent about natural resources because they have inhabited a country of great abundance. Land itself was plentiful for a variety of uses — farms, forests, grazing, natural sites for cities, splendid scenic areas for vacations, and recreation. Until settlement moved west of the 100th meridian, water was plentiful. Coal, oil, gas, iron, and many other minerals seemed to be present in an almost unlimited supply. The challenge was to put these great resources to use in order to improve material living conditions. And it is not surprising, in retrospect, that the national policy that emerged in the nineteenth century encouraged exploitation of natural resources. Western lands were opened up through homesteading; railroads were encouraged through land grants and other subsidies; tax policy later sought to encourage extraction through depletion allowance. Indeed, in the 1930s governmental policy sought to encourage the use of electricity by so-called promotional rates that gave big users lower rates than domestic consumers (and the use of such promotional rates still exists). Utilities were urged to expand and to take advantage of the economics of large scale in order to make electricity cheap and available. The price of power fell, and the economy grew vigorously, notwithstanding some setbacks from recessions.

A few people, looking ahead, expressed concern about running out of a particular resource — or resources generally — from time to time during the nineteenth and twentieth centuries, but any more general anxiety tended to be short-lived, because rapid improvements in technology either resulted in the development of

substitutes or made it possible to utilize ores or materials of lower quality.

A highly influential study in the early 1960s — *Scarcity and Growth* by Harold Barnett and Chandler Morse — pointed to the fact that despite greatly increased use of natural resources, price patterns over nearly a century indicated that prices for resource commodities were generally declining. If a shortage was developing, or was even visible on the distant horizon, they argued, prices would have been climbing. Historical experience and faith in continued technological advance combined to nurture an optimistic view of the adequacy of resources.

The Changing Energy Picture

Nevertheless, during the past two decades, a number of observers were becoming increasingly concerned about the rate of increase in the use of the world's energy resources. Energy use — particularly in the form of petroleum — was not only growing and propelling record rates of industrial expansion in advanced nations such as Japan and Germany but it was also growing at an increasing rate in the developing countries. The use of energy tripled in Western Europe and rose by nearly 500 percent in Japan just in the twenty years after 1950. At the same time, oil and gas supplanted coal as the dominant major energy source around the world.

Meanwhile, petroleum exploratory activity and development of oil resources began to slow down in the United States. In the early 1970s the United States was producing only about one-fifth of the world's supply of oil and gas, compared with more than two-fifths in the mid-1950s. As the increase in American consumption continued to outstrip domestic production of oil, the importation of petroleum from the Middle East became increasingly important.

Thus, even before the imposition of the embargo by the Organization of Petroleum Exporting Countries (OPEC) in 1973, there were clear signs of an emerging energy problem resulting from (1) an increase in energy use that was greater than anticipated, (2) the shift from coal to oil and gas, (3) leveling off of domestic output and the increasing dependence of the United States on imports, and (4) growing importance of the Middle East as a supplier.

The embargo of 1973 was thus not the underlying cause of the energy dilemma. Rather, it was significant as an incident that shocked the public, demonstrated the nation's vulnerability to the whims of exporting nations, and raised gasoline and other prices

²Kneese and Schultze, p. 21

sharply. Nevertheless, after the embargo was lifted and memories of the gas shortage faded, public concern with an energy problem also faded rapidly. Although the determinants of the long-run energy problem remained what they were before the embargo, United States consumption and import of oil, after briefly leveling off, started moving upward again. By 1979 and 1980, however, the sharp increases in the retail price of gasoline began to exert significant restraint on consumption. Americans bought smaller cars and drove less. Adjustment to the new energy reality was in progress.

How dependent the United States is on foreign sources of essential resources has not been widely appreciated by the general public. Facts were slow to make inroads on the myth of American abundance until the oil embargo. There were occasional charges of American profligacy — a nation with six percent of the world's population was using thirty percent of the world's resources. This statement, or a variation on it, appeared periodically in public discussions. But the full implication of American dependence on the rest of the world was not appreciated. The United States is dependent on foreign sources for 90 to 100 percent of its supply of chromium, titanium, manganese, cobalt, mica, columbium, and strontium. It supplies more than half of its needs for only relatively few materials, including, fortunately, iron, petroleum, lead, copper, and salt. But even here, the supplementary foreign sources of supply are not firmly secure.

In the best of all possible worlds, policy makers could look to foreign trade to supply the United States with materials in exchange for food and manufactured goods. But in the real world, excessive dependence on foreign supplies can be risky — especially dependence on foreign sources for a commodity as essential as petroleum. One of the nation's first reactions to the OPEC embargo was to proclaim Project Independence that would make the nation secure against disruption of its energy supply by 1985. The slogan of "independence" faded as soon as the impracticality of the approach began to be appreciated. The possibilities of other alternatives began to be recognized, such as the possibility of increasingly interdependent relations with OPEC.

One response to our altered circumstances has been a rising interest in more efficient use of resources. The word "conservation" has returned to prominence in public discussions — with a somewhat different meaning than it had during the conservation movement of the early twentieth century. Then it was aimed largely

at the saving of trees and scenic lands, and later at soil conservation when, during the 1930s, dust storms posed a threat to western farmlands. The focus of conservation today is on energy.

Conservation is one tool for reducing the vast drain on resources. It can be important both in the short run and the long run, but its potential is limited. No precise estimates are available on the savings from such measures as encouraging installation of better insulation in homes and other buildings, adjusting thermostats so that buildings do not use as much heat in winter and air conditioning in summer, improving efficiency of home appliances, reducing automobile speeds, switching to smaller cars, and promoting greater use of mass transit.

Transportation is a sector that has drawn particular attention. It accounts for more than half of American consumption of petroleum and a fourth of total energy consumption. By contrast, most other advanced nations — which are smaller geographically and have better developed public transportation systems — devote only about an eighth of total energy to transportation. Part of this difference is attributable to high gasoline taxes (which have made gasoline two to three times more expensive abroad than in the United States). The production of smaller cars with greater fuel economy has thus been encouraged abroad.

But one can hardly look at the energy conservation potential of the transport sector without taking a broader view of transportation as a major component of the nation's economic activity. The manufacturing of transport equipment, the trucking and rail industries, etc., provide nearly four million jobs. In the public sector, spending for highways ranks second to education, and taxes on motor fuel and vehicles are important sources of revenue. Public policies to promote transportation date back to early years in American history, with expenditures for canals, and have continued with grants of land for railroads, subsidies for airlines, and establishment of the Highway Trust Fund with its enormous impact on road development across the country. The federal government's first regulatory commission was the Interstate Commerce Commission, which still plays a major (and highly controversial) role in economic affairs, along with the Civil Aeronautics Board. In the field of public finance, questions about how to manage transport expenditures have generated considerable debate. (For a discussion of user charges vs. general revenues and related issues, see Groves and Bish, *Financing Government*, pp. 239-53.)

The transport sector also provides one of the major challenges to environmental management. The automobile, as a source of carbon monoxide and other pollutants, has been a major target of environmental regulation. (See Garvey, *Energy, Ecology, Economy*, Chapter 6, especially pp. 116-20.)

In short, transportation exemplifies the interrelationships of the three central themes of this chapter. The Federal Energy Administration study, *The National Energy Outlook*, estimates that higher prices and conservation measures could reduce the rate of growth in energy consumption from 3.6 percent a year (the average rate for 1977) to 2.2 percent. Given the growth rate of the nation, such savings serve primarily to buy time in which to develop new sources of supply, to make headway in the slowing down of population growth, to begin thinking about changing some growth incentives in governmental policy, and perhaps even to change life styles away from the emphasis on consumption of material goods.

While conservation is widely endorsed as a policy that can make a useful contribution over the next few years, there is less than universal agreement on specific policies to achieve a reduction in consumption and the precise objectives of conservation policies. Conservation could be promoted, for example, by decontrolling (and hence, presumably, raising) gas and oil prices, so that consumers would have a financial incentive to use less gas and oil. But such a policy could well have side effects that are highly objectionable — the inflationary impact of diffusion of higher oil prices through the economy, the depressing impact on business activity, windfall profits to some energy producers and distributors, and inequality of the burdens. Discussion of these matters will be of public concern for some time.

Alternative Energy Sources

For the long run, the focus is on research that will lead to a source of energy that might be as cheap and plentiful as oil once was—with a minimal threat to the environment. One such source is solar energy, which is abundant enough, but which has not yet been harnessed in a way that makes it commercially feasible on a large scale. In selected instances it is being used in home heating and cooling, and this may prove to be its most promising use in the near future. Considerable research is under way to determine more effective ways to generate electricity from the sun. The prospect of continuing increases in oil prices reduces the time before solar energy becomes competitive with oil.

Another potential energy source for the distant future is fusion, a process that obtains energy from water. This source also looks desirable on resource and environmental grounds, but its feasibility is still not proved. Even if scientists succeed in demonstrating a practical method of fusion power in the next few years, it will be well into the twenty-first century before fusion power plants can be put into operation. The essential difference between solar power and fusion is that the feasibility of solar power has been demonstrated. It has been used for heating and in solar batteries. Its practicality for some uses is within reach. Fusion is unproved.

For the near term — between our present situation and the long-run hope for power from the sun and water—we will continue to be highly dependent on oil, with coal and possibly nuclear power playing a greater role. Coal is plentiful, but poses hazards. Strip mining degrades the land, underground mining is a hazardous occupation, and the burning of coal contributes to air pollution. This is an especially serious matter in the Southwest and in the states of Montana and Wyoming where exceptionally rich coal veins lie. The local communities also are concerned about boomtown development if the nation seeks to augment its coal supply from these sources. (Gerald Garvey's book, *Energy, Ecology, Economy* analyzes the energy-ecology tradeoff).

Nuclear technology has been proved, and about 100 nuclear plants are in operation. Collectively they produce over 8 percent of the nation's electricity and could produce 26 percent by 1985. But the costs of construction have mounted greatly, so that the apparent economic advantages have largely been eroded, and reliability of the plants has been less than expected. At the same time, development of nuclear power has been hampered by public concerns over thermal pollution and radiation leaks, possibility of a nuclear disaster, (dramatically emphasized by the Three-mile Island accident) need for safe and lasting procedures for handling and disposing of radioactive wastes, and fears of nuclear theft and proliferation of nuclear weapons to irresponsible governments, particularly if the breeder reactor is developed. Several efforts by state referenda to pass laws that would place severe restrictions on nuclear construction were defeated in 1976. Nevertheless, there was sufficient public opposition to discourage power companies and induce them to cut back on their plans to construct nuclear plants. Thus, there is much doubt of the former FEA's projection that nuclear power will supply 26 percent of electricity needs by 1985.

Whether the mid-1970's were merely a pause in the long-run development of nuclear power or a prelude to a complete halt in nuclear construction is not clear. The building of greater public confidence in nuclear safety and growing concern about the costs and dangers of alternative power sources, especially coal, could lead to greater tolerance for nuclear alternatives.³ More aggressive pricing increases by the OPEC countries and threats of an embargo also could reduce resistance to nuclear plants.

On the other hand, the flow of imported oil may continue with only a slight increase in price, a buildup of storage facilities may lessen the nation's security fears of an embargo, strip mining operations may continue to improve, and stack gas scrubbing devices may reduce pollution from coal. Although there was little prospect in 1980 of these events, such developments could reduce pressure for nuclear power.

Thus today a number of uncertainties and alternative choices face the nation. So far there has been little effective leadership in the development of an adequate policy.

Some modest steps were included in the 1975 Energy Policy and Conservation Act which provides for a gradual phasing out of federal price controls, fuel economy standards for autos, and creation of a strategic petroleum reserve. Nevertheless, as of mid-1977—nearly four years after the oil embargo—the nation's vulnerability to an interruption of supply was greater than it was in 1973. Importation of oil was greater than ever (accounting for more than 40 percent of the nation's total consumption, compared with 23 percent in 1970.) Stockpiling in 1977 was just beginning to get underway. There was one slight consolation: the OPEC countries were having their difficulties as well. The costs of their highly ambitious development and military programs proved to be higher than they had anticipated. While they still had incentives to raise prices, the cost of an embargo in terms of lost revenues was also high to them. Moreover, fears that earnings from petroleum would enable the OPEC nations to exert undue pressure in the financial markets of the developed nations receded.

Amid talk of policy alternatives and speculation about petroleum supplies, petroleum prices, and petroleum politics, the gov-

³Nuclear Power: Issues and Choices, the 1977 report of a panel of distinguished scientists, sponsored by the Ford Foundation, concluded that there is no need to proceed with development of the breeder reactor during this century, but that the light water reactor is one of the energy options that warrants consideration.

ernment moved toward improving the administration of energy policies through reorganization of scattered energy activities into a single Department of Energy, which was established October 1, 1977.

Recommendations for energy policy run into goals of other public policies. For example, enthusiasm for switching from oil, an increasingly scarce resource, to coal, a very abundant one, is dampened by concerns about the environmental costs of a major increase in coal production and consumption. And proposals to enact taxes on gas-guzzling cars have raised concerns in Detroit about loss of jobs. Proposals to increase gasoline taxes and thereby dampen consumption are challenged by concerns for those in middle and lower income groups who are dependent on their automobiles.

And so we return to the world of tradeoffs—hoping that policy choices will be governed, at least in part, by a rational establishment of goals and a rational consideration of the benefits and costs of alternative courses of action.

Required Reading

1. Garvey, Gerald, *Energy, Ecology, Economy*, New York, Norton, 1972.
2. Landsberg, Hans H., *An Overview, Energy: The Next Twenty Years*. Cambridge, MA., Ballinger; 1979.
3. Lynn, Laurence E. Jr., *Designing Public Policy: A Casebook in the Role of Policy Analysis*, Santa Monica, CA., Goodyear Publishing Co., 1980, Chapters 3, 4, 14, 15, 16.

4. Kneese, Allen V. and Schultze, Charles L., *Pollution, Prices and Public Policy*, Washington, D.C., *Brookings Institution and Resources for the Future*, 1976.
5. Owens, Henry and Schultze, Charles L., *Setting National Priorities: The Next Ten Years*, Chs. by Perry, "Stabilization Policy and Inflation" pp. 271-322, and by Roberts and Steward, "Energy and the Environment," pp. 411-456, Washington, D.C., *Brookings*, 1976.
6. Pechman, Joseph, et al, *Setting National Priorities: Agenda for the 1980's*, Washington, D.C., *Brookings*, 1980, Chs. 2, 3, 4, 5, pp. 35-168.
7. Robinson, Marshall A., Morton, Herbert C. and Calderwood, James D., *An Introduction to Economic Reasoning*, Garden City, N.Y., Anchor Press/Doubleday, 1980.
8. Schurr, Samuel H. et al, *An Overview and Interpretation of Energy in America's Future*, Washington, D.C.; *Resources for the Future*, 1979.

Additional Reading Recommended

- Bach, G.L. *Making Monetary and Fiscal Policy*, Washington, D.C., *Brookings*, 1971.
- Barry Commoner, *The Poverty of Power*, New York: Bantam, 1977.
- Allen V. Kneese, *Natural Resources Policy, 1975-85*, Washington: *Resources for the Future*, Reprint 140, 1977.
- Federal Energy Administration, *National Energy Outlook: 1976 Executive Summary*, and later years as available.
- William E. Warne, editor, *Symposium on the Energy Crunch of the Late 20th Century*, *Public Administration Review*, July/August 1975.

Commentary Assignments

The standard assignment for Sequence 2.2 follows. Please note that it is subject to change by the preceptor, who may modify, amend, or revise it. In that event you will receive a new assignment through the cluster director.

1. Prepare a one-page evaluation of each of the required readings. Indicate what are, in your view, the author's most

significant points and explain what, if any, contribution the book makes to your thinking about policy problems. Assess major strengths or weaknesses of the author's argument. (You may substitute a comment on one of the additional readings of your choice for any of the required readings, but you will be responsible for the content of all the required readings.)

2. Prepare a policy paper — not to exceed ten double-spaced typewritten pages — on either Topic A or Topic B.

Topic A. Assume you are on the staff of a top governmental official. Prepare a paper on one of the following issues which most affects your interests or field of work: environmental policy, energy policy, employment policy, stabilization policy (or some part of the issue, such as water pollution, or energy conservation). Identify the problem and explain its origin. State what you assume to be the objectives of the agency which has primary responsibility for it. Identify alternative approaches for dealing with the problem. Assess the probable consequences of the alternatives, and make a recommendation.

Topic B. (This topic to be chosen only by participants whose agency is a heavy user of energy. Identify the agency.) Assume that you have received a memorandum from your supervisor as follows:

"Continuing concern about energy supplies and costs indicates that I will need an appraisal of the problems that we will encounter in meeting the energy needs of our agency. Please prepare for me a statement of the probable impacts, direct and indirect, of future energy stringencies on our program. This statement should review what we already have done. I want your report so that it may be considered in the preparation of our next budget, but your study should not be limited to short-range effects. It should be an aid to longer-range planning. I will want to know what our situation is apt to be ten years hence. Limit your report to less than 2,500 words, or as much less as you can and still cover the subjects. Will any of our present programs need redirection? Let me have your reasons and backup material, as well as your conclusions and recommendations."



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